Friday April 22 1988

EUROPE'S BUSINESS NEWSPAPER

D 8523 A

World News

bill despite veto threat

US House of Representatives last night passed a trade bill aimed at making industry more competi-tive in the world despite Presi-dent Reagan's threat to veto it in its present form.

Gore out of race

Tennessee Senator Albert Gore

Honduras alert

Hundreds of troops backed by tanks moved into Tegucigalpa, Honduras, as the armed forces COPPER PRICES fell again on plotting violence during a cash grade A metal falling to its planned march in protest against US control over the Government.

Algeria rejects criticism Algeria emphasised that it would be impervious to any interna-tional criticism of its mediation in the hijacked Kuwait Airways affair which saved the lives of 31 hostages but apparently allowed the nine hijackers freedom from any judicial proceedings.

Panama shooting

d

US guards near two American military bases in Panama fired on intruders in incidents similar to two which occurred last week,

Lebanon banks closed Banks closed in Lebanon as workers responded to a general strike call over pay. In other sec-

tors the stoppage was virtually Fusion study begins.

An international project to examine the feasibility of producing at 1.987.40. Page 46 at 1.98

years. Page 3 **Bribery ruled out**

The Indian Government said official investigations into a 1981 suhmarine coutract, worth \$400m, with Howandtswerke- STERLING closed in New York at

Senegal rioting

tion leader Abdoulage Wade was Page 28 brought to trial at the Supreme Court charged with "attacks on US GOVERNMENT ran up the internal security of the

Ciskei shootout

Two black South African police-man were killed in a shoot-out with at least one ANC guerrilla cornered in a house in the Clakei

Police in Dhaka said they had rescued nearly 100 kidnapped Bangladeshis, mostly women and children, destined for sale over-

Locust plague spreads.

had spread more rapidly than expected, already reaching some SCHLUMBERGER, leading US

Turkish tyre strike

tory in Izmir, western Turkey, consumer products group, has went on strike in a wage dispute. reported record first-quarter

EC aids handicapped

12-nation bloc. CONTENTS-

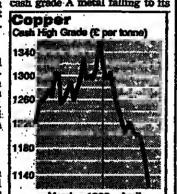
Business Summary US Congress ACEC and passes trade Alsthom set up joint

ACEC, Belgium's heavily loss-ACEC, Belgium's heavily loss-making electrical engineering and electronics company, is to merge a key area of its activities into a joint subsidiary with the French company Alsthom, lead-ing electrical contractor. The move is part of a wider reorgani-sation plan. Page 24

subsidiary

suspended his presidential campaign, reducing the Democratic nomination fight to a two-man contest between Michael Dukakis and Jesse Jackson.

BUPERT MUEDOCH'S News Corporation amnounced it planned to sell its-Boston television station WEXT. This is despite a recent Court of Appeals ruling overturn-WEXT. This is despite a recent Court of Appeals ruling overturn-ing the Kennedy-Hollings Amendment prohibiting ownership of television stations and newspapers in the same market. Page 25



March 1988 April lowest level since September 18 ending down £32.50 a tonne at £1.125. Page 34

TOKYO: Wednesday'a fall on Wall Street dampened enthusi-asm and share prices slipped slightly in thin trading. The Nik-kei average ended 35.93 points lower at 26.828.16. Page 46

WALL STREET: The Dow Jones

Cornecon "isolated"

Soviet Prime Minister Nikolat Ryzhkov sharply attacked Conecon, the Soviet led economic and trading bloc, which he said had become isolated in the past 20 years. Page 3

DOLLAR closed in New York at DM1.6685, Y124.35, SFr1.3785 and FFr5.6660. It closed in London at DM1.6635 (unchanged); Y124.15 (Y123.95); SFr1.3750 (unchanged); and FFr5.65 (unchanged). Page 35

Deutsche-Werft of West Germany \$1.8935. It closed in London at had produced no evidence to support allegations that 7 per cent (DM3:1475); Y235.75 (Y234.75); bribes were paid. Page 4 SFr2.61 (SFr2.6650); and

FFr10.7275 (FFr10.6975). Page 35 Rioters burned cars and threw ing its third year of recovery, has stones at police near the presidential palace in Dakar as opposite the presidential palace in Dakar as opposite the president of the president o

> \$29.1bn dollar budget deficit in-March, but the amount in the first six months of the fiscal year was 3.5 per cent less than the same period last year, the Treasury Department said.

BASF, big West German chemi-cal group, reported a rise in net profits last year and a main-tained DM10 dividend. Page 26

manufacturer and retailer, launched a usw high-perfor-mance personal computer that "clones" IBM's Personal System/2 computers. Page 25 COMPAQ COMPUTER, Texas-

based personal computer manufacturer, more than doubled its The UN Food and Agriculture facturer, more than doubled it first-quarter sales and earning of desert locusts to north Africa the company reported. Page 25 first-quarter sales and cornings,

oilfield services company, reported a sharp improvement in first quarter earnings. Page 25 About 1,300 workers at a tyre fac- RJR NABISCO, diversified US

earnings. Page 25 SIR TRISTAN ANTICO, giant of The EC announced the launch of an Ecul9m (\$23.6m) four-year programme to help more than 30m handicapped people in the building products and resources group. Page 27

Iraq displays the battered remnants of fighting in Fao

The street outside was strewn
This, then, was Fao, a miserawhat appeared to be an abandoned education centre was piled
high with dusty schoolbooks in
Farsi explaining the mysteries of lican Guards triumphantly
physics and biology.

Shatt al-Arab waterway.
This, then, was Fao, a miserathe recapture of Fao, proclaimed on Monday after what
the Iraqis say was a 34 hour battle, is certainly a considerable
psychological boost for Baghdad.
It is the first time that Iraqi
physics and biology.

multiracial power sharing.

Mr Botha, speaking in Parlia-

ment yesterday, also suggested recreating the post of Prime Min-ister, thus diluting the Gaullist-style powers and duties given to the State President by the 1984

At present Mr Botha is the

head of state, party and govern-

ment, a concentration of powers last seen in the hands of the late

Soviet President, Mr Leonid

The President was making his first major speech since the white supremacist Conservative Party (CP) troonced his ruling National

The graffiti to English stared leader, and his chosen successor, forlornly from the wall of a deserted building in the southern liraqi town of Fao yesterday, one middle distance — and sometimes of the many testimonies to the recent enforced departure of Iranian Revolutionary Guards from the peninsula.

The graffiti to English stared leader, and his chosen successor, what they call their "victory," the large authorities have now turned the barren peninsula — most of whose buildings have been reduced to heaps of rubble — into a grotesque tourist attraction for visiting journalists and resident diplomats.

The treet outside was attraction.

Botha defies Right

black power-sharing

PRESIDENT P.W. Boths of South
Africa yesterday offered blacks a mula, which would bring blacks
voice in electing the country's closer to the decision-making prohead of state and defied rising cess while still excluding them
white racism by reconfirming the from parliament and real power. He also suggested that blacks
white racism by reconfirming the from parliament and real power.

Mr Boths's speech came just a President's Council, the
day after the CP revealed an eleclight level policy advisory body,
seed also held accounted.

those who saw whites in general and Afrikaners in particular as "pert of the solution" to South

Africa's problems.

Mr Botha explained that re-

Reagan warns Moscow as

MR GEORGE SHULTZ, the US tration of concluding a messy attempt to find enough common Secretary of State, and Mr and unsatisfactory compromise ground on other issues — includ-Eduard Shevardnadze, the Soviet on the withdrawl of the 115,000 ing bans on both large-scale Foreign Minister, met yesterday Soviet troops from the region and nuclear tests and chemical weap-

BY STEWART FLEMING IN WASHINGTON AND QUENTIN PEEL IN MOSCOW

to an effort to make progress on of conducting a headlong rush a deal to cut strategic nuclear towards détente with Moscow weapons. They did so as Presi-which would include the signadent Ronald Reagan delivered a ture at next month's summit of toughly worded speech in the US an ill-conceived "framework"

warning the Soviet Union over its agreement on the reduction of actions in Afghamistan. strategic nuclear weapons.

Mr Reagan warned that "any Mr Shultz and Mr Shevard-spreading of violence by the Sovi-nadze met to try to advance an

ets or their puppets" in Aghanis- agreement on a 50 per cent cut in tan could remove the promise of their strategic arsenals to time

day after the CP revealed an election manifesto which pledged "to
"fight to protect white rights" and
restore all the apartheid laws
abolished over the past three
years of "spartheid reform."

He called for the support of all
those who saw whites in consert
interior tions.

creating the post of Prime Minister to look after routine government affairs would free the President for a more strategic policy role, especially in regard to bringing blacks into the system.

He proposed that the president the president for a more strategic policy role, especially in regard to bringing blacks into the system.

However, it has been rejected by the leavest a finite powers and to consult on policy formation.

in commitment to

what they call their "victory," the Iraqi authorities have now

The recapture of Fao, pro-

Mr Boths made clear that the new offer to blacks was simed at

persuading black "moderates" to join the Government's proposed National Statutory Council.

ons - and an agreed path to set-tlement of conflict in the Middle

Official spokesmen were giving nothing away during the early hours of two days of scheduled talks, although they revealed

that both sides had brought their Middle East specialists to the meeting, in addition to their full

Continued on Page 34

teams of arms advisers.

"ALLAH IS THE GREATEST. A few yards further on, build a two-year occupation of its back the Iranians in any major way since the very first months come."

The graffiti to English stared leader, and his chosen successor, what they call their "victory."

The graffiti to English stared leader, and his chosen successor, what they call their "victory."

The graffiti to English stared leader, and his chosen successor, what they call their "victory." way since the very first months of the war. Some officials are turning point in the 7% year old conflict has been reached.

The Iranian presence on Fao, albeit confined to the southern 20 kilometres of the peninsula, com-pletely blocked Iraq's access to the Gulf and was used as a launching pad last year for Chi-nese-made silkworm missiles

Continued on Page 24 Israel exploits Chinese links, Page 24, Other Middle East reports, Page 4



UK Government suffers currency switch setback

THE UK Government's efforts to switch substantial amounts of its currency reserves from dollars into D-Marks have been severely curtailed by concern among other central banks that such operations might undermine sup-port for the dollar.

over the past year, largely as part of the Government's effort to stahilise the pound against the D-Mark Most of the intervention

towards the end of last year the European Monetary System. The Treasury, which owns the Bank is said by monetary offi-reserves, told the Bank to swap cials overseas to have been sym-

(CP) trounced his miling National

He proposed that the president However, it has been rejected by tall electoral college abould be extended to include nominated Mangosulius Buthelesi until the signalled his intention to blacks. It is presently made up of carry on the dogged search for a 88 members nominated from each African National Congress. because the value of the dollars the Bank had purchased earlier in the year had fallen sharply. The Treasury, which maintains strict secrecy about the composi-tion of the reserves, has consis-tently refused to comment on the operations, but ministers are said.

the Treasury that Mrs Margaret Rhine. Purther large-scale divertisation, however, has been ister, who has long been unenthusiastic about intervention because of its initial expansion-difficulty of Mr Nigel Lawson, the

The Government is

THE Bank of England intervened to currency markets to try and stem the rise to the pound after March mouey supply figures showed another surge in credit demand. Details Page 11

The Bank of England has below DM3.00 that led the Prime added foreign exchange worth Minister to abandon the ceiling more than \$20bn to its reserves just before the March Budget. The diversification into D-Marks brought protests from other central banks because of the threat that it might underhas been in the form of dollar mine their own efforts to support purchases because of the rela-tively small scale of direct ster-cern in France, in particular, that ing/D-Mark trading to London.

British purchases of D-Marks
It is understood, however, that
might create instability in the

reserves, told the Bank to swap significant quantities of dollars pathetic to these arguments. The move coincided with speclar dispute in 1965, but for the niation in financial markets that opposite reason. Then it was critically losses on its intervention when other cental banks were because the value of the dollars when other cental banks were selling the US currency in order than the US currency in order to much it down to push it down

As a result of the latest disagreement, the Bank is thought to have told its counterparts in the US and Europe that it would limit its D-Mark purchases. That does not mean it will be pre-Shultz resumes arms talks been aware of the possility wented from buying D-Marks in about term losses on dollar purchases the open market, because it about term losses on dollar purchases. to order, among other things, to British Army on th

ary impact on the money supply. UK Chancellor of the Exchequer, would view the potential losses to using intervention to stabilise as a further argument against the pound and may help to efforts to keep the pound stable. account for the greater emphasis it was the massive scale of interhe has been putting on cuts in vention needed to hold sterling interest rates.

Anything you say

and may be used

in evidence...

will be taken down

Japan's **Big Four** securities houses see profits slide By Jan Rodger in Tokyo

THE PROFITS of Japan's pow-erful Big Four securities houses — Nomura, Daiwa, Nikko and Yamalchi — have

Nikko and Yamaichi — nave taken a rare tumble in the wake of last October's world-wide stock market crash. The four, which have risen rapidly in recent years to join the first rank of the world's financial institutions, yesterday reported pre-tax profit declines ranging from 20 per cent to 39 per cent in the six months to March.

Many leading European and US stockbrokers and merchant and investment banks have already disclosed substantial profit setbacks resulting from

the October crash.
However, while securities
houses elsewhere still seem
uncertain about the near-term outlook, the Japanese companies all expressed confidence that their profits would recover in the current second

They blamed the profits slide, not so much on a retreat in share prices, but on the accompanying fall in trading activity in Tokyo.

Volume on the Tokyo Stock

Exchange fell from a daily average of 1bn shares in Sep-tember to 464,000 in Novem-But share prices there have recovered strongly in the past couple of mouths surpassing pre-crash peaks to many cases,

and trading activity has picked

Profit figures from the Big Four, covering parent com-pany results, mainly concern their activities within Japan. The consolidated figures, which come later, may show larger declines because of tougher conditions faced by overseas subsidiaries following

Nomura reported that its brokerage commissious dropped 31 per cent.

The slump in brokerage business for the four was offset to some extent by a hage increase in new issue activity. They earned an aggregate

in November of 1.9m shares of Nippon Telegraph and Tele-phone (NTT).

The Japanese Government's sale of its shares to Japan Air Lines last November and a series of rights issues by Japa-nese banks also helped the rwriting husiness. Details, Page 28

improved East-West relations for next month's US-Soviet sum-The key issue bogging down the agreement on strategic arms inherent in the signature earlier mit. But, in spite of a brave in the month of the Geneva attempt to present the atmoreduction is seen to be the prob-Accords providing for the with-drawal of Soviet troops from the area. Conservative Republican critics in reach. The latest round of ics accuse the Reagan adminislem of how to inspect the two most chasive categories of weap-ons — sea-launched cruise mis-

US changes tactics on Panama

changed tactics in its attempts to the convinced other changed tactics in its attempts to the changed tactics and its administration that Gen Norlega would Norlega, Panama's military be removed speedily by the constrongman, and is adopting a bined effect of diplomatic isolation and economic sanctions.

Though still intent on securing the General's removal, Washing-ton tacitly recognises the use of economic and financial sanctions has so far failed.

A US delegation led by Mr Michael Kozak, a senior State Department official, and including representatives from the Pentagon, the National Security Council and the Central Intelligence Agency, left Panama yes-terday after the first direct talks ing liquid assets in the US were

tion and economic sanctions,

The US stepped up sanctions spread to the right-wing opposition in Panama. They too believed the US would by now have removed the General, and urchead President Eric Arturo with far less damage to its economic sanctions. Delvalle on February 26. With US backing, Mr Delvalle had tried to February 5.

The regime was already close terday after the first direct talks ing liquid assets in the US were Dr Ricardo Arias Calderon, the Washington has held with the frozen, and Washington started Christian Democrat leader, carregime since its attempt to per- to withhold \$15.1m a month due lier this week called for a regime since its attempt to persuade Gen Noriega to step down from Panama Canal and transfailed on March 20.

Isthmian oil pipeline revenue. PDF interests into account.

Previous discussions have been Subsequently, American compades and State Department of the St

THE US administration has ment which convinced other ing taxes to the Panamanian Government.
The new mood of realism which appears to be surfacing in relations between the Noriega regime and Washington has

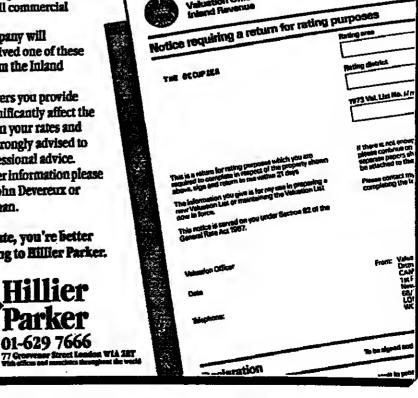
> dismiss the army leader, who has been under indictment on serious drugs charges in Florida since ousted by the PDF in 1968, are Representatives of Dr Armifo reliably reported to be discuss the terms of a transitional regime with the government.

national dialogue which takes

Editorial comment: The reform of education:

security firms bank strolls down Wall St ...

re-assessing the rateable value of all commercial premises. Your company will have received one of these forms from the Inland Revenue. The answers you provide could significantly affect the increase in your rates and you are strongly advised to take professional advice. For further information please contact John Devereux or Phil Redman. At any rate, you're better off talking to Hillier Parker.



al Pin Companies Dueracas ... Intl. Capital Mari Companies. World Trade 10-12 30-38 43.45



THE GREAT ILLUSIONIST CASTS ANOTHER

SPELL

President François Mitterrand, the hot favourite to win another term of office, Page 3

Commercial Law: Ship owes a duty to income Management: Daimler Benz - sparring with Technology: US shoppers take control of the

Europe's forum for defence ... Politics Today: Mrs Thatcher knows how far is too far Lex Markets, institutional cash, Inchcape,

BCI and Irving Trust Italy's biggest state Surveys: Insurance and Insurance Broking:
Property ______ Sep Sections

in car

By John Griffiths

assembly

Volvo plans

big changes

VOLVO WILL embark in the

autumn upon a radically new way of building cars in relatively high volumes, of up to 80,000

units a year. Under the new system,

vehicle undergoing assembly will remain static at a work station for up to two hours. It will be moved only four times during the

entire production process.

The concept is to be used in a plant being built at Uddevalla, near Volvo's main car plant at

Gotsborg.

It will come on stream in September, building part of the Swedish executive car-maker's

700 series range, and reach full output in 1990. It will employ

about 1,000 and heve an annual single-shift capacity of 40,000

or clash

27---

ELECTION WAS

South Pacific islands wait for France to show its hand

WHEN French voters begin electing a new president this Sunday, their country's foreign policy and Developments in both territoits standing abroad will be far ries affect France's fragile rela-from their minds. But their tions with Australia, New Zea-choice will shape the stability of land and the other 13 countries of

Two key territories are roa stoll, and by the prospect of involved: French Polynesia, five fresh trouble in New Caledonia. archipelagos centred on Tahiti and spread over an area the size quillity also fits awkwardly with of north-western Europe; and the traditional notions about these

In French Polynesia (population: 185,000), local politics is in ferment because of the disintegration in December of the territorial government and the isolation of Mr Gaston Flosse, a local figure appointed by Prime Minister Jacques Chirac as France's South Pacific troubleshooter. At the sent time ladjentance Follows. the same time indigenous Polyne-sians are displaying a reawak-ened yearning for independence. In New Caledonia (population:

In New Caledonia (population:

The Kanaks argue they are being culturally and economiescalating as the intimidatory tactics of white settlers and the metropolitan French government

sheet at that date:

(R thouse

Income statement

Income from listed investments

Increase (decrease) in retained

profit Retained profit brought forward

Earnings per share - cents Dividends per share - cents

Free State Consolidated

Orange Free State

(R thousand

Market value

Appreciation

Dividend

For and on behalf of the board

L. Hewitt Directors

April 22 1988

Transfer Secretors

First Floor Edura

South Africa

Johannesburg 2001 (P.O. Box 6105)

Consolidated Share Registrar:

Book value

Listed investments

The company's listed investments comprised the following:

The final dividend (No. 61) of 109 (1986: 119) cents per share in respect

of the year ended September 30 1987 was declared on October 22 1987 payable to members registered on November 6 1987 and was paid on

Change of financial year end

It has been decided, for administrative reasons, to change the

company's financial year end from September 30 to March 31. The

current financial year of the company will therefore be a period of eighteen months ending March 31 1989. A second interim report for the

twelve months to September 30 1988 will be published on October 21 1988 and a second interim dividend will be considered by the board on

Other expenditure - net

Profit before taxation

Profit after invation

Divideads - interim

Retained profit

31.3.88

28 637

28 450

28 442

28 281

28 281

175

31.3.88

held

187

31.3.87

36 872

36 652

36 637

35 351

35 351

1 286

1 397

31.3.87

of shares

Hill Samuel Registrars Limited

Copies of this announcement are being posted to all members at their registered addresses

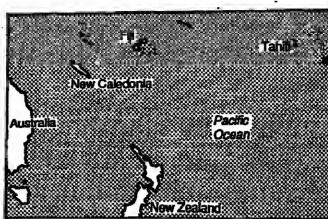
held

111

the other side of the globe, in the the South Pacific Forum. All are strategically important South concerned by France's continued nuclear weapons testing at Muru-The disturbing absence of tranislands of New Caledonia, six Pecific territories. For many, hours' flying time in the direction of Australia.

Tabiti evokes romantic images of Captain Cook, of Captain High

The Kanaks argue they are being culturally and economi-cally destroyed. Their moderate leader, Mr Jean-Marie Tjibaou, metropolitan French government hovers between their withdrawal push frustrated black Melane-from conventional politics and sians towards violence in a the creation of more martyrs.



tive is worse: a potentially futile pendent deterrent, or were it pre-attempt to contain a rural Mela-nesian resistance movement.

pendent deterrent, or were it pre-pared to conduct its tests at home or (like the British) in the

Inasmuch as Mr Mitterrand's if much of this is the harvest of re-election would bring a new three decades of mass immigragoverument, the Kanaks feel it tion, it has been driven only offers the better hope. But it partly by France's desire for New would also threaten a backlash Caledonia's massive nickel

US, Paris would not have its present difficulties with its Pacific territories and their anxious neighbours.

Mr Chirac moved to confront

these problems in 1986 by appointing Mr Flosse, a Polyme-sian politician and businessman, as special minister. Helped by French propaganda and money, he has had some success in the region. But he has run into political trouble at home. Like Mr Lafleur in New Cale-

donia, Mr Flosse is a major backer and close friend of Mr Chirac. Unfortunately his activi-ties on behalf of Paris and himself forced him early last year to

seir forced min earry isst year to pass the leadership baton locally to a trusted acolyte.

Last October, things changed. Confronted by dock strikes in Mururoa and the capital Papeste, the French government threatened force. Riots followed.

Nothing like this had been seen before in Tahiti. A few weeks later. Mr Alexandre Leon. eks later, Mr Alexandre Leontieff led a breakaway group from Mr Flosse's now-discredited majority party and joined with the opposition to oust Mr Flosse's Mr Leontieff's coalition is



highly fragile. Like Mr Flosse, he backs Mr Chirac, but Mr Flosse is making the running in the local presidential campaign, clearly hoping for a springboard to fight back. With other ministers campaigning for Mr Mitterrand, the forthcoming vote is a test of local support. support.
More important, because the

Polynesia, the vote has major

implications for Paris.
French Polynesia, with its easier racial mixing, is undoubted by a more relaxed place than New Caledonia, despite undergoing one of the swiftest modernisa-But as in New Caledonia the

independantistes are only toler-ated up to a point. When modern television brings pictures instantly from violent trouble spots like the Gaza Strip or Northern Ireland, the old formu-lae for political containment look less dependable.

Paris knows its ultimate con-

trol of the two territories depends on the depth of its pockets. For now the colossal subsidies — at least \$5,000 (£2,650) a head a year - are accepted in France, although the settlers enjoy big salaries and no income tax.
Indeed, French officials overlook the breathtaking inequalities in these societies and justify France's Pacific presence by pointing to the truly impover-ished independent micro-states of the Pacific

Leontieff government includes individuals against France's and familiar. He says he'd rather nuclear testing and in favour of early independence for French than a fat one tied up.

Paul Betts and George Graham profile the nine runners lining up on Sunday in the French presidential race

single-shift capacity of 40,000 cars. But output of only 10,000 is envisaged in the first year.

Currently, Volvo is operating at full capacity for its larger cars of 300,000 units a year, excluding the small 300 Series cars built by Volvo Car BV of the Neiherlands, in which the Swedish company has a 30 year cent stake. Chirac: seeks to end

in which the Swedish company has a 30 per cent stake.

Volvo officials make clear that the Uddevalla plaint is seen as setting the pattern for its other car plants in Sweden. The main Goteborg plant will be broken up into similar small production units as new models, designed to take advantage of such productake advantage of such produc-tion systems, are introduced.

Smaller numbers

"Back in the 1960s, there were plants — that was too many and one of the reasons for building Kalmar, according to public affairs executive Mr Lars Nesser.

"Now we think 1,000, at most 1,200, is a good number of people working together."

More than 30 fixed assembly sites are planned within Uddevalla, each of which will process four ears a day in full production. four cars a day in full production. Each site will have its own team of workers, who will have much piore complex tasks to perform than is the case with conven-

tional assembly lines.
This: Volvo believes, will create much more job satisfaction, with benefits for the company in

improved quality.
The plant should thus display in near ultimate form the "team" concept of assembling cars which Volvo pioneered at its Kalmar plant, on Sweden's south-east

coast, almost 14 years ago.
At Kalmar, which recently has begun devoting its own 30,000-tars-a-year capacity entirely to the new range-topping 760 model, small teams of 15-25 workers Named Prime Minister by President Valery Giscard d'Estaing in1976, in place of Mr Jacques Chirac, he plumbed unprecedented
depths of unpopularity with his
economic austerity policies—
aithough the label of "the best
economist in France" has stuck.
But his first election, as deputy
for his horse town of Lyons did

Unlike a conventional assembly line, the vehicles at Kalmar are carried on computer-controlled and guided platforms, or Tellus carriers.

However, while Volvo in the past hae proclaimed Kalmar'e methods as a breakthrough ending production line boredom and its attendant quality risks, the differences are mainly of degree. Team members perform a greater variety of tasks than on e normal line as the car progresses through the team's zone, and workers decide between themselves how jobs should be rotated. But the Tellus carriers themselves act as an assembly line, moving at a speed set by a

central computer. The system is more flexible than an assembly line in that cars needing some form of rectification can be quickly moved into buffer zones in each team's area so that overall production flow is

not disrupted.

But Kalmar plant director and Volvo Car Corporation vice-president Mr Leif Karlberg acknowl-edges that it is with some dis-appointment that Volvo has had to abandon (temporarily, it hopes) what was conceived as a key benefit of the team approach: team members taking responsibility for inspection and quality

FINANCIAL TEMES

Published by the Fleuncial Times (Europe) Led., Frankfart Branch, represented by E.Hugo, Frankfart/Main, and, so sumbset of the Baard of Directors, F. Barlow, E.A.F. McClean, G.T.S. Damer, M.C. Germen, D.E.P. Publier, Loudon, Printer: Frankfurter Societanets-Droschwoi-Gubbl, Frankfart/Main, Responsible editor: G.D. Owen, Financial Times, Brackets House, Cassen Street, Loudon ECGP 48Y, 9 The Flanneisl Times Led, 1968.

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by white settlers, perhaps a decrease. More important has laration of unlateral independence if they thought policy was turned to Polynesia in the midno longer in their favour.

WELKOM GOLD HOLDINGS LIMITED

WELKOM

First interim report — 1988

peacekeeping role of France's Pacific.
8,000 troops and police particularly dangerous. But the alternairrevocably committed to an inde-

o longer in their favour.

1960s for its nuclear weapons
That would make the difficult tests, to secure a position in the

Mitterrand: the great illusionist casts another spell THE HOT favourite, Aged 71, the Socialist President kept every-body guessing until last month whether he would seek a second. Siee, writes Paul Betts. It will be fourth time François Mitterrand is running in e presidential rance. He was defeated by General de Gaulle in 1965, and then by Valery Giscard d'Estaing in 1974. To unify before beating him in 1981.

Nicknamed in France the Content of the great illusionist, the sphinx, the great illusionist, the Florentine or "Tonton" — uncle in universe as stationmaster at the His father was a stationmaster at the first as a stationmaster at the multister and suniversely French (which is universely French (which is universel

Le Pen: new look, old themes

THE OUTSIDER. The 50-yearold leader of the extreme right National Front has plastered posters of his bronzed, grin-ning face throughout France proclaiming him "L'Outsider" in the presidential race, writes

Jean-Marie Le Pen, who has emerged during the past five years as a destabilising new factor on the French political chessboard, has dropped his black eye patch, adopted a new respectable "look", brushed back his blond hair, and appears set to win many more votes than the official Commu-

He has called himself the grand perturbateur. His high sense of political theatre and his exploitation of zenophobic and reactionary themes have this election.

Mr Le Pen is an old political hand but it was only in the 1984 European elections that his National Front exploded on the French political scene, winning 10.9 per cent of the national vote.

Two years later, Mr Le Pen and 34 other National Front members made their triumphant entry into the National Assembly after polling 9.6 per cent in the 1986 legislative

Even after his famous blunder last autumn when he dismissed Hitler's gas chambers as a detail of history, Mr Le Pen is still predicted by the latest polls to take 10-12 per cent on Sunday. The son of a deep sea fisher-

man, Mr Le Pen was born at La Trinité-sur-Mer in Britisny and was educated by the Jesuits. A lieutenant in Indochina, he joined the Poujadist popu-list movement in 1955 and was elected a deputy in 1956. A few months later he volunitered for service in Algeria and subsequently took part in the Anglo-French Suez opera-tion. A year later he left the Poujadists and in an electoral

scuffle lost an eye in 1958. A defender of French Algeria, he founded the Front National pour l'Algérie Fran-çaise in 1960. In 1972 he

ounded the National Front, of which he became president. But he won only 9.75 per cent of votes in the first round of the 1974 presidential election.

shotgun marriage PRAGMATIC for some, cynical first in his native Correze, a and lacking in convictions for mountainous area in central others, the smiling and energetic France, and then in Paris, where

Mr Jacques Chirac (35) comes to he was elected mayor in 1977. the election after two years of "cohabitation" as right-wing presidency in 1981, but in the proprine Minister under a Socialist cess damaged the main right-wing candidate, the incumbent President, writes George Graham. A highly-strung chain-smoker,

A nignty-string chain-smooth. It is a viewed at the civil service and as an aide of President Georges
Pompidou, before becoming 1986, when he led a right-wing Employment Minister in 1987. coalition of his own RPR and the After a string of ministerial more centrist UDF back into posts, from Budget to Interior, he power in the legislative elections.

party out of the old Gaullist Barrists of the centre and the Le movements, and a regional base Pen supporters on the far right.

is viewed as responsible for his defeat by Mr Mitterrand. His comeback came in March

posts, from Budget to Interior, he was picked by incoming President Valery Giscard d'Estaing as Prime Minister in 1974.

Resigning suddenly in 1976, he set out to create his own power hase, building the Rassemblement Pour la Republique (RPR) of winning support from both the party out of the old Canillist

Barre: truth-telling has not inspired popularity

portly and egy-headed Mr Ray-mond Barre has in the last days before the election stepped up the pace of his plodding campaign, writes George Graham.

Perhaps the most decent and least cynical of the main candidates, Mr Barre has built the

dates, Mr Barre has built the image of a man who tells the uncomfortable truths, and who stands outside the cogs of party politics. But his well-rounded figure and lecturing tone have not always inspired popularity.

Born on the indian Ocean island of Reunion, Mr Barre still acounds like the aconomics professounds like the economics profes-

sor he was. He entered govern-ment 30 years ago, at the Industry Ministry, and became vice-president of the European Commission in 1967.

not come until 1978, and he has never built the same sort of political power base as his main ivals. Even though formally backed by the Union pour la Democratic Française, he has received only lukewarm support from many of the party's bosses. from many of the party's bosses. Now 64, Mr Barre has spent the past two years as the Cassandra of the right, preaching against the experiment of "cohabitation" with a Socialist President.

for his home town of Lyons, did

Lajoinie and Juquin: two voices of Communism

DOUBLE ACT. Andre Lajoinie, the official candidate of the French Communist Party, has been closely flanked throughout the campaign by Mr Georges Marchais, the party secretary general, who preferred not to run this time. And small wonder. Under Mr Marchais, the Communists have declined from the biggest party on the French left to less than 10 per cent of the national vote, writes Paul Betts.
Mr Lajotnie has also had to contend with Mr Pierre Juquin, the presidential candidate of the dissident Communist reformist faction. Mr Juquin, the party's official spokesman a few years ago, has led the campaign against the hardline old guard and is expected to win 2-2.5 per cent on Sunday. Mr Lajoinia, long a leading member of the party's traditionalist camp, is

the party has followed closely that of Mr Marchals. He became a full-time member when he was 28. In 1967, he was one of the last French Communists to attend the educational institute for Communist cadres in Moscow. President of the French Com-

President of the French Communist parliamentary group in the National Assembly, Mr Lajointe has a good chance of succeeding Mr Marchais at the top of the party. However, much will depend on his electoral performance and some cynics suggest that Mr Marchais saw his candidacy as a poison pill for his possible successor.

We both men are committed to If both men are committed to

fighting reformist tendencies inside the party, they differ greatly in style. Mr Lajoinie does not have the same taste for clowning and colourful rhetoric as Mr Marchais, although at ralexpected to poll 5-7 per cant.

Aged 58, of farming stock (he comes from the same region of about his political convictions correze as Mr Chirac), he is an and the role he believes the Comapparatchik whose steady rise in munists can still play in France.

Long-shot runners aim low

THE LONG shots of the field cover a wide spec-trum from Trotskylam to ecology, writes George 1935, and was one of the leaders of the claudestine

Ms Arlette Laguiller, candidate of the Workers' Struggle party, is the most experienced presiden-tial campaigner after Mr Mitterrand, although in her two previous forays, in 1974 and 1961, she won only 2.3 per cent of the votes. Now 48, she was the first woman to stand for the presidency, and has time in clock up several more candidatures.

Her minimalist campaign this time aims at 5 percent of the vote – highly optimistic according to the polls – but her television haranges, in a passionate monotone, continue to arouse interest in her as the most fervent of the nine candidates.

The other far-left candidate, Mr Pierre Boussel
sents the purist wing or the party, which took control in 1986, ousting those who wanted in move into the orbit of the mainstream left-wing parties. His meetings have boasted some of the best music of the campaign, with the Caribbean singer Dede St Prix, as well as Cheb Kader, star of "rai" – a kind of electrified Berber folk music.

trade union movement in occupied France during the war. His anti-Stalinist line has created e Tambertist" sect with offshoots in Latin America. Mr Antoine Waechter (39) represents a milder

current, the Green party. A militant ecologist since the age of 17, when he led a campaign in his native Alsace against a motorway extension, he represents the purist wing of the party, which took control in 1986, ousting those who wanted in move into the orbit of the mainstream left-wing parties. His meetings have boasted some of the best

Balance sheet ended 31.3.88 (R thousand) 31.3.87 30.9.87 30.9.87 Share capital 17 675 17 675 17 675 74 223 Share premium Non-distributable reserve 168 891 168 891 168 891 73 818 Distributable reserves 11 094 12 316 10 933 205 729 206 951 205 568 73 787 Represented by: 35 351 205 553 205 553 205 553 38 533 37 219 35 821 38 857 38 842 Current assets 28 732 73 884 Current liabilities 28 616 1 396 Net current assets (97)206 951 205 729 205 568 111 35 350 937 35 350 937 35 350 937 Number of shares in issue 14 Net asset value per share (after 209 209 diusted for market value of 2 838 3 498 3 653 First interim dividend (No. 62) On Thursday, April 21 1988, interim dividend No. 62 (being the first 30.9.87 interim in respect of the financial year of eighteen months ending March 31 1989) was declared as follows: of shares held Amount (South African 80 cents per share (1987: 100 cents) CULTENCY) 6 141 966 6 141 966 6 141 966 Last day to register for dividend 6 838 600 6 838 000 6 838 000 (and for changes of address or dividend instructions) Thursday, May 5 Friday, May 6 Saturday, May 21 Registers closed from to (inclusive) 729 346 1 236 340 1 291 187 Ex-dividend on Johannesburg 514 793 1 030 787 1 085 634 Monday, May 9 Currency conversion date for sterling payments in paid from London Monday, May 9 Dividend warrants posted Thursday, June 9 Payment date of dividend Rate of non-resident shareholders' tax 15 per cent The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the company and its transfer

By order of the board Anglo American Corporation of South Africa Limited unds, Divisional Secretary

Head Office London Office 44 Main Street 40 Holborn Viaduct Johannesburg 2001 (P.O. Box 61587 Condoc ECIP IAI

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Greece and Turkey set for clash at EC talks

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GREECE on one hand, and Tur-key along with the European Community's West German presi-dency on the other, appeared yes-terday to be heading for a con-frontation at a forthcommunication at a forthcommunication of the communication of the meeting between officials from Ankara and the 12 EC states. Both Greek and Turkish diplomats believe that objections from Athens may block any substantial progress at the meeting in Brussels on Tuesday of the EC-Turkey Association Council. At talks in Brussels this week between the permanent representatives of the 12, Greece called unsuccessfully for the inclusion of a reference to the Turkish occupation of Cyprus in the joint EC statement that West Germany wants to present to the Turkish side.

Despite the improvement in meeting between officials from

Despite the improvement in the Greek-Turkish atmosphere following the summit in Switzer-

It has signed a protocol under which it becomes party to the 25-year-old EC-Turkey Association Agreement. This gesture was made after Ankara rescinded a

decree freezing Greek-owned assets in Turkey.

PARIS LAUNCHES CONTROVERSIAL PROGRAMME WITH FFR14BN CONTRACT

France orders fighter prototype

It has placed a firm order with the Dassault-Breguet aerospace group to build the first prototype and an option for a second. Barely three days before the first round of the French presidential election, the Government also placed an order for 10 prototype M-88 engines to equip the new fighter with the French state aero-engine: manufacturer Vocal advocate

ister, and President Francois
Mitterrand.

The French defence ministry
underlined yesterday that the
two orders were the "first irreversible commitment" by the
Government on the new aircraft
programme and added that
France continued to welcome
cooperation with other countries
on the Rafale.

The French Government had
indicated at the beginning of this
year that it would place the first
orders for the Rafale prototypes to expressed
french airforce in 1996.

Naval version
The option for the sec
confirmed next Sep
involves the naval version
Rafale to equip the French
competes with the four nation
Ruropean Fighter Aircraft (EFA)
Programme.

THE FRENCH Government has the new fighter aircraft proofficially launched the controvergramme of both Mr Jacques Chistal programme to build France's rac, the Neo-Gaullist prime minnew generation fighter aircraft, ister, and President Francois
Rafale.

The latest decision involves a
firm order for the first of five
that partners in the US.

The French Government had
indicated at the beginning of this

Short of new military orders, the two orders are worth a defence minister, has been a partotal of about FFr14bn (\$2.5bn) ticularly vocal advocate of interaction on the mew fighter programme.

totype, which is expected to be confirmed next September, involves the naval version of the Rafale to equip the French navy.

This initial contract involves a financial commitment of FFT/bn, three quarters of which will be supplied by the Government and the remaining quarter funded by Dassault. The Snecma engine contract involves a similar amount of about FFT/bn.

Madrid likely to cut petroleum products prices

Martens leaps back into Belgium's political centre-stage

THE SUDDEN re-emergence this consent of at least four partners. Week of caretaker Prime Minister, Mr Wilfried Martens, as a Mr Guy Spittsels and Mr Willy serious candidate to lead the next Claes, the leaders of the two serious candidate to lead the next
Belgian coalition has injected
fresh excitement into negotiations which have dragged on
between the main parties for
more than four months.

However, the development will
not necessarily be decisive in
breaking the deadlock which set
in almost immediately after
December's inconclusive seneral

Claes, the leaders of the two
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in almost immediately after December's inconclusive general election result.

Local opinion polls show that I be main eticking point it is since 1979, would still be the most popular leader of a new Government, while his achievements in pursuing a programme of economic austerity over the past six years mean his return would also be welcomed abroad, notably in financial circles.

The trouble for his supporters mostly the work of party collegaes, who have inspired press to head a Government willingness to head a Government.

following the summit in Switzschiad in January, Greece is also of a long-frozon RC credit of gargeing to the release to Ankara of a long-frozon RC credit of Routilom (Royan). Will block the founding may be a state of the release to Ankara inprovement in Turkey's human interest of the supporters of the best own of a long-frozon RC credit of Royalbow discussed reform in a control of a long-frozon RC credit of Royalbow discussed reform in a control of a long-frozon RC credit of Royalbow discussed reform in a control of the form in the Royalbow discussed reform in a control of a long-frozon RC credit of Royalbow discussed reform in a control of the Royalbow discussed reform in a positive resource of the result in the past two resources of the Royalbow discussed reform in a control of the Royalbow discussed reform in a control of the Royalbow discussed refo

changed over Danish N-ship row THE CRISIS over Denmark's pol

icy towards allied warships has led Nato to postpone an official visit there next week by Lord Carrington, its secretary-general, and to change the venue for a ministerial Nuclear Planning Group meeting, which was due to take place in the Danish town of Kolding next Wednesday and

Nato venue

Nato said the postponement and the last-minute switch in plans for the important defence ministers' meeting were agreed by both sides after consultations between Lord Carrington and Denmark's Nato ambassador.

The Nuclear Planning Group meeting is to be held in Brussels instead.

The talks would have come within a fortnight of the May 10 general election which Mr Poul Schlüter, the Danish Prime Minister, called on Tuesday after the controversial parliamentary vota tightening the country's stance.

Lord Carrington has reiterated Nato's "grave concern" about the resolution, under which Den-mark would remind every visit-ing Nato vessel that the country did not accept nuclear weapons on its territory in peacetime.
This, Lord Carrington said,
"would run counter to the bests of Nato strategy and the principles of shared burdens and benefits".

Both the US and the UK insist that they will stand by a policy of neither confirming nor denying whether their vessels are in fact

Sir Geoffrey Howe, the British Foreign Secretary, warned earlier this week that the UK would be unable to fulfil its Nato obliga-tion to reinforce Denmark's defences if the resolution remained in force.

Soviet Premier says Comecon set its sights too high in past

Craxi claims single 'guiding mind' in Rome behind Red Brigades

decree freezing Greek-owned assets in Turkey.

Ankara wants next week's falls to cover the issue of free circulation of Turkish workers within the EC. Boam in particular is likely to have reservations about this.

Other subjects Turkey wants to see covered are the creation of a joint EC. Turkey partiaments and that he subjects Turkey wants to see covered are the creation of a joint EC. Turkey partiaments and that he in the coffee bar of the lower dashed after the kilding minds believed in the coffee bar of the Curistian democrat elder statesman, Aldo Moro. Mr Craxi then esponsed is likely to have reservations about this.

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THE DOM	er to manage succ

RIOTERS BURNED cars and hrew stones at police near the presidential palace in the centre of Dakar yesterday as Abdoulaye Vade, leader of the opposition Senegalese Democratic Party, was brought to trial at the Supreme Court charged with "attacks on the internal security

The charges arise from the riot-ing which began at his party's headquarters following national presidential elections in February. Mr Wade accused the Gov-ernment of rigging the results, which returned President Abdou

Police yesterday used armoured personnel carriers and tear gas to disperse crowds who had gathered to support Mr Wade at the court. Cars were burned in the streets and barricades erected as demonstrators retreated towards the central business dis-trict of the town. A state of emer-gency imposed after February's violence is still in force, although a midnight curfew was lifted last

Security forces appeared to have the situation under control by early afternoon, with traffic flowing normally throughout Dakar. Mr Wade's trial has been

Celebrating Israelis mark 40th anniversary

SEVERAL hundred Jewish set-tiers chose this densely Arab-populated district of Israel, where trouble has occasionally flared between the two races, to mark the country's 40th

anniversary.

'As other Israelis picnicked and attended military displays, the settlers listened to fiery political speeches defending their claim to be able to live anywhere in the Biblical Land of Israel – from the Mediterrative Land of the Land of the Mediterrative Land of the Land nean to the Jordan river.

Uzi Landau, a prominent right-wing parliamentarian, who said that, 40 years on, Israel was still fighting for

israel was still lighting for self-determination. The organ-isers of the rally, which drew a disappointing turnout, deliber-ately chose the location as a challenge to local Arabs. Another hand of about 200 settlers held a similar rally south of Bethlehem, in the occupied Weet Bank, But jouroccupied West Bank. But jour-

military and strategic fields. A long-sought goal of Prime Minister Yitzhak Shamir, the document was signed simultaneously in Washington by President Ronald Reagan. It is intended by Israel in commit future US Administrations to the same level of spontanting. ond day running from the West Bank or the Gaza Strip, and thus were prevented from attending the event.

At least half the 1.5m Palestinians of the occupied territories spent the day — for them the anniversary of the end of Delecting as it was — confined. the same level of co-operations as the Jewish state has enjoyed for the past five years, but represents no significant increase in US assistance. The expanded agreement provides for enhanced political con-

tacis, within "a comprehensive framework for continued consultation and co-operation".

Mr George Shulix, the US Secretary of State, is expected to return to the Middle East in the first week of May, for another round of his peace mission. His decision to go ahead with the new memorandum at this time is received.

dum at this time is regarded here as another attempt to reasons Mr Shanir of unwavering US commitment to Israel's well being.

Syria declines opportunity to heal rift with Arafat

THE FAILURE of Mr Yassir Arafat, chairman of the Palestine quence of the uprising in the Liberation Organisation, to appear in Damascus on Wednesday for the funeral of his slain deputy is being widely interpreted here as a sign that little progress has been made in the past year towards reconciling the PLO leader with President Hafez al-Assad of Syria.

The Syrians, in effect, discouraged Mr Arafat from coming to Damascus by offering no guarantees that he would meet Mr arafat towards reconciling to Damascus by offering no guarantees that he would meet Mr arafat towards reconciling to Damascus by offering no guarantees that he would meet Mr arafat towards reconciling to Damascus by offering no guarantees that he would meet Mr arafat towards reconciling to a with the death of its military commander at the hands of the Israelis would encourage the reconciliation process with Syria.

A Western official in Damascus with a forum in which in demonstrate before thousands of cheering supporters that he had prevaled over Syrian attempts to

Damascus by offering no guaran-tees that he would meet Mr Assad. These conditions were reportedly unacceptable to the PLO leader, who could not afford

in be thus humiliated. PLO factions, the gue isation has been set in its hopes that its enhanced sta-

A Western official in Damascus said that Syria had made it clear it would not provide Mr Arafat with a forum in which in demonstrate before thousands of cheering supporters that he had prevalled over Syrian attempts to eliminate him.

Algiers last April of the biggest PLO factions, the guerrilla organ-

US kidnap victim faces 'trial'

Palestine, as it was - confined

Palestine, as it was comment to their homes, under curfew. In Jerusalem, the highlight was the signing of a Memoran-dum of Agreement with the US codifying several earlier bilat-eral pacts in the economic,

the US.

A statement by the "Organisation of the Oppressed on Earth" was the second by pro-Iranian captors since the 15-day drama of the Kuwaiti Airwaya Boeing 747 sirliner hijacked on April 5 ended in Algiers on Wednesday.

Teferred to the 'court of the growing tension over the pearence of Co Higgins.

Yesterday's statement Col Higgins was abducted in activities of a Pentagon to cialising in combating while driving back from a visit to an official of Amal, the main-

The Arabic type-written communique was accompanied by a black-and-white photograph of release issued yesterday were the Col Higgins, the chief of the Lebanon unit of the UN Truce Super-vision Organisation. He looked

anon unit of the UN Truce Supervision Organisation. He looked downcast and drawn.

When flight KU 422 was in Larhe had been killed in clashes naca, a statement in the name of his captors said that he would be Fierce fighting erupted.

"This criminal will now be this month in the afternath of referred to the 'court of the growing tension over the dissp-

Col Higgins was abducted in south Lebanon on February 17 while driving back from a visit to an official of Amal, the mainstream Shia Moslem movement.

statement at the conclusion of the thwarted hijacking mission served in remind the world that fran-linked fundamentalists hold-ing foreign captives could still tamper with the lives of their hostores.

Delhi probe rules out bribery in submarine deal

THE INDIAN Government yester—opposition figure in the country, day said official investigations—in 1981 India ordered two into a 1981 Suban 6212m) submarines—from rane contract with Howandt—swerke-Deutsche-Werft of West—construction near Bombay. From Germany have produced no evi—the end of 1985 India was discussive.

evidence of an Indian agent being involved. There was also no evidence of breaches of India's foreign exchange and income tax. Hill later said that negotiations had been held directly with the

Germany have produced no evidence to support allegations that ing buying two more. It received a report early last year from the A statement in Parliament by West German Government that Mr K.C. Pant, the Defence Minister, said investigating agencies ting its tender prices because of 7 concluded that the Europe-based indian trading family of Hindujas its agents, who it was later had had no link with the contract, and that that there was no evidence of an Indian agent below.

Envelopment of agents is han-

eign exchange and income tax laws.

The Government hopes that the statement will help in end one of two cases of alleged corruption which rocked the government and that no agents were involved apart from Globtech of New Delhi. The Indian Government had been ment of Mr Rafiv Gandhi last notified in 1962 about Globtech year. The other concerned a st. fin Swedish Bofors gun contract, which is still the subject of considerable controversy.

Opposition MPs yesterday criticised the Government for not producing the full reports of the investigating agencies. The first investigating agencies. The first inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions, and others who have a sales role and are inquiry was ordered last April by paid commissions was involved and no commission was involved and no commissio

Australia bows to Tokyo on price of embassy land

THE Australian Government has Tokyo, confirmed yesterday. hecome a highly publicised victim of the Japanese Government's helated attempts to force down Tokyo's sky-high land figures involved. Negotiations have messeded in a normal and

for months to take advantage of Tokyo's souring land prices by selling part of its spacious enhances grounds in the city. Earlier this year, it cancleded an agreement with a group of developers to sell 7,250 square metres of embassy land for a reported Y57,50n (2246m, or about £33,600 a square metre).

Then, in accordance with Jananese law, it submitted the deat in the Tokyo Metropolitan Government with a provided an analysis and prices, they are not saying selling submatic. But in the past year, in response to a public outcry over soaring land prices, they are not saying so in the Government's new determination to combat high land prices, they are not saying so. "We do not really have any feelings about it," Mr Debenham said.

The story has been front page news in Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports have suggested that the Australian enhances with Japanese newspapers this week. Reports

waiting prices.

What happened after that is obscured by a lot of diplomatic language, but the upshot is that the Australians have agreed to ently by 5 to 6 per cent.

"It is a lower price," Mr
Howard Debenham, counsellor at
the Australian Embassy in

Australia has been planning reasonable fashion and an agree-for months to take advantage of ment has been reached," Mr

se over pre said. "We knew it was a hig, newsworthy item. It involves a large amount of money and the

> Also, there must be some consolation in the proceeds from the sale, which are hundreds of times higger than what the Australian embassy property in 1951.

Talks start on coalition for Papua New Guinea

PAPUA NEW GUINEA. Anstra-election, the third since indepen-lia's northern neighbour, entered dence in 1975.

The moves came one day after coalition.

Mr Padas Wingti, the Prime Minister, and Mr Michael Somare, leader of the opposition, unexpectedly agreed to bury their long-standing differences in the long-standing differences in the leader of stability.

Reports from the capital Port Moresby, however, suggested that both leaders were finding it difficult to persuade their followers to go along with the unusual

a fresh phase of political uncer-tainty yesterday as government and opposition began efforts in independence, first lost the Prime form a coalition of national Ministership in 1985, and has since been leading an opposing

> began the difficult task of allocating a fluite number of portfolios in their followers without causing too much antagonism.
>
> Developments are being watched closely by Australia, a leading aid donor and ally, and by Indonesia, which shares a border

The coalition plan followed a protracted period of political turnoul which led last week to the adjournment of Parliament as the adjournment of Parliament as the opposition was about to move a no-confidence motion.

Papua New Guinea is important to the strategically and for its gold, copper and oil resources, which are being exploited with the help of multinational mining

Mr Wingti quickly brought the former army commander. Mr Ted Diro, back into government, attributed to shifting parliamendespite allegations of corruption tary allegiances and regular use hanging over him which must of the no-confidence motion. Formation of a coalition of national Last August it was Mr Diro's unity, if it could be achieved, was support which helped Mr Wingti yesterday expected to encourage to continue as Prime Minister constitutional changes which after a closely-fought general would help remedy the problem.

Urgent African aid sought

AFRICA needs urgent international assistance to ope with the challenges posed by the problems of mounting external debt, population increase and health needs, and the difficulties of countries in the drought-prone belt which stretches across the continent, says a book* published yesterday, written by Britain's Overseas Development Institute and commissioned by the Save the Children Fund.

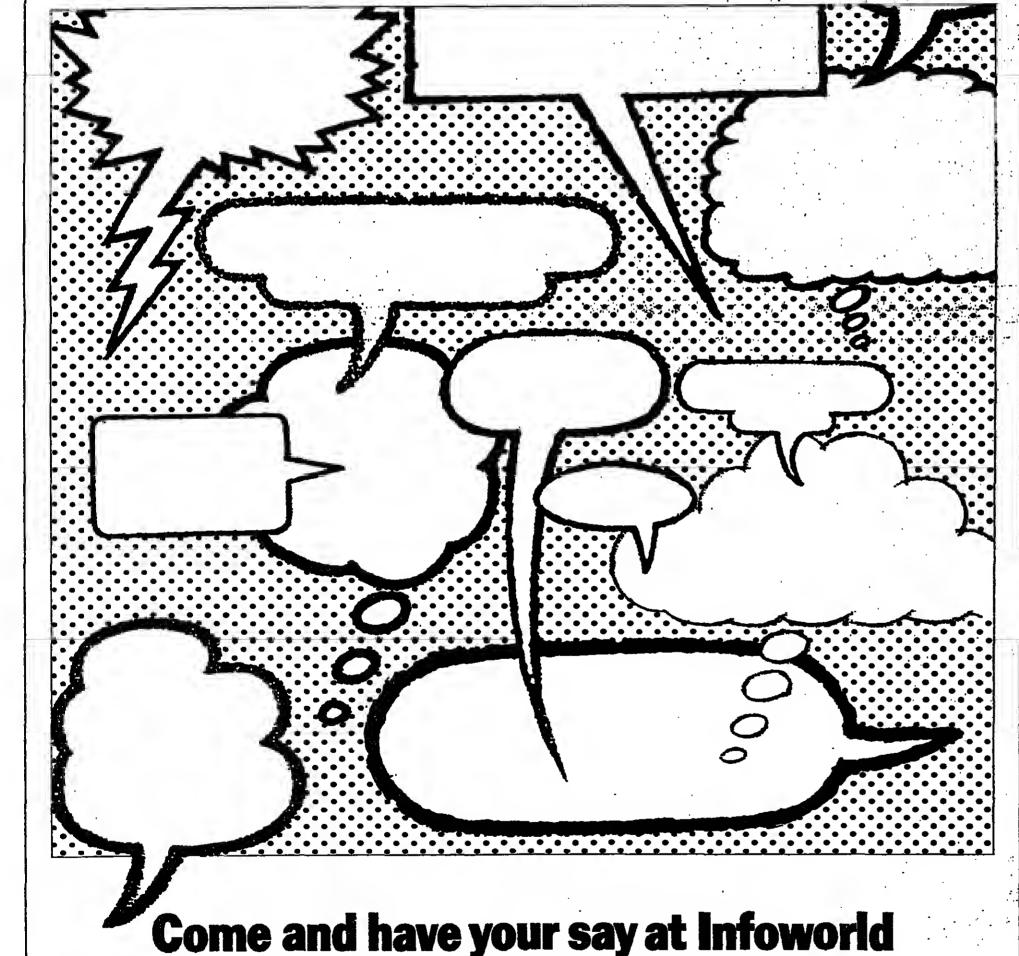
The 94-page report with a face of the problem is that the challenge is not being taken seriously enough by those governments which have the resources to respond effectively", says the report.

It analyses the causes of Africa's economic crisis, and considers the impact of measures to AFRICA needs urgent interna-

dren Fund.

The 94-page report, with a foreword by The Princess Royal, president of Save the Children, calls for a "major effort" to reverse. Africa's aconomic "Prospects for Africa, published by Rodder and Streethers, Sand constitutions, and international institutions."

*Prospects for Africa, published by Hodder and Stoughton, £5.95.



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Panama military sacks possible heir to Noriega

When former intelligence chief Noriega won control of the army Col Herrera was soon sent into

col Herrera was soon sent into diplomatic erile. The enthusiasm; with which US officials have endorsed him in recent weeks - albeit in private - always seemed likely to prejudice rather than advance his prospects.

Despite his acceptability to Washington, a PDF officer and former associate of Torrijos described Col Herrera as "was-

former associate of Torrijos described Col Herrera as "pragmatic, he believes in democracy, he comes from humble origins like most of us, and he is a progressive, a Torrijista."

Col Herrera is believed to be still in Israel and it is not clear whether his discharge from the POF means that he will be withdrawin as embessador there. His

drawn as ambassador there. His sacking has not yet been made

PDF sources and diplomats

point out that in strict seniority erms, there are in any case five officers with prior claims to become army chief, assuming

that some 10 officers closely associated with Gen Noriega accom-

THE Panama Defence Forces have sacked a senior officer, widely regarded as a possible successor to General Manuel Antonio Norlega, who has resisted two months of financial and diplomatic errie. The enthusiasm of the standard of the same with the same wit lomatic siege aimed at ousting him as army chief and Panama's

Colonel Eduardo Herrera Hassan, for the past three years Pan-ama's ambassador to israel, was forced into retirement by a mili-tary "honour tribunal" on Tuesday, for allegedly disobeying arr order, PDF sources said. The Israeli appointment has been an important one, given Panama's close political and security ties

From the outset of the crisis caused by US Administration and Panamanian opposition attempts to unseat Gen Noriega, Col Herrera has been mentioned as a via-ble new commander of the PDF, particularly by US military offi-

fied officer who served as per-sonal secretary to the late Gen-Omar Torrijos, the populist and ciated with Gen Norie popular leader who ran Panama pany him into retireme

US navy may extend Gulf shipping protection role

THE REAGAN Administration is considering extending the US Navy's protection of ships in the Gulf beyond those flying the

The Pentagon, backed by influential members of the US Congress, wants to broaden the US Navy's role following Monday's air and sea battles in which American forces sank or damaged six Iranian vessels.

The move would make the rules of engagement for US forces

American flag.
The White House has confirmed that a review of the rules of engagement - circumstances under which US forces are authorised to open fire – is ligerent Iraq – guessing wi under way, but played down sug-gestions of an imminent shift in hostile American response.

The initial euphoria in Congress and the Administration over Monday's successful retaliatory assaults on Iranian forces has given way to a more sober ssessment of policy in the Gulf. Senator Sam Nunn of Georgia the chairman of the Senate armed services committee, has put forward the idea of dividing the gulf into zones, each with a different ally's navy extending protection to all innocent ships more flexible, while leaving intact the basic policy of escorting Kuwaiti oil tankers flying the ator John Warner of Virginia, would like the US Navy to pro-vide cover to shipping on a random basis with no advance notice. He believes that this would leave Iran - or its co-belligerent Iraq - guessing whether attacks on shipping would draw a

Washington haunted by crime and violence By Lionel Barber in

When Beveriy Harris was stabled to death in an apartment block in south-east Washington this week, she became the city's 199th murder victim this year.

That grim statistic adds up to one of the want cycles of violence in the history of the nation's capital, and places the city alongside New York and Detroit as a flourishing centre of violent crime and drag-dealof violent crime and drug-deal-ing.

The Washington record for hemicides was in 1969 when there were 287 murders. At the present rate, the figure will be higher this year — though still far short of the 1,691 murders in the more populous New York City in 1987.

The popular image of Washington DC as the city of sweep-ing classical architecture and well-heeled power-brokers was

never more than a postcard picture. Outside the white middie-class enclava in the north-west, Washington has always had its share of innercity decay and crime - but rarely more so than in 1968. Though Beverly Harris's slaying was apparently related to a domestic argument, about 60 per cent of the homicides this year are drug-related, according to the police. Detec-tives have identified more than 80 street-corners where cocaine derivative, are openly sold by teenagers.

There are many theories as to why Washington has energed as a drug centre. Some believe that competition among well-established gangs in New York and Philadelphia has formed machen to calibrate has furced pushers to cultivate new markets further south; new markets further soute; others view the killings as attributable to the case with which hitmen hired by gauge can slip in and out of Washington, a major commuter cross-roads. Still more recken that Washington is just like most other US cities, a helpleas victim of the drug menage. tim of the drug menace.
Whatever the explanation, the over-stretched, undermanned DC police force has

found it near impossible to contain the drug-peddling.

This week saw the first instances of vigilantes attack-ing suspected drug pushers

Sarita Kendall reports on the problems of enforcing reforms while civil war threatens

Colombia learns to accept violence too easily

Astrong report blaming the Colombian Government and the military for human rights abuses tary for human rights abuses raised angry protests in the coun-try. In particular, the report has been criticised for not analysing kidnappings and assassinations attributed to guerrilla organisa-tions, drug trainckers and other non-military groups.

The Minister of Defence said

this week. "If we have progressed favourably with government pol-icy, it is in respect of human rights," adding that any occa-sional excesses had not been sanctioned by the Government. Others called the report one-sided and accused Amnesty of contributing to the polarisation of con-flicin. But a spokesman for the left wing Patriotic Union, which has had many members mur-dered, said it reflected the situa-

tion in Colombia. One of many recent editorials in the leading Colombian dailies criticised President Virgilio Barco far being so deeply Barco for being so deeply the Guatira Peninsula; five pensenmeshed in an "absurdly Byzan- anta were murdered in the East-time discussion" that he seemed are Llanos; and nine benana hind to the dirty war going on workers were massacred in around him. The President, it is uraba, with 16 more missing All true, has spent more television this on the Monday by the end time detailing the niceties of of the week there had been sew-plehiscites, political party agreeral bombings, further assessments and constitutional reforms tions and at least three kidnaps, than explaining how his govern- Different incidents were loosely ment plans to tackle the ever- airributed to the far left, the far growing delived and the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the far growing delived as the control of the far left, the delived by the control of the far left, the delived by the control of the far left, the delived the control of the far left, the delived by the control of the far left, the delived by the control of the far left, the delived by the control of the far left and the far left a growing daily death toll. All right, the drugs Maffa, death along, Mr Barco has argoed that squads and ordinary criminals, only fundamental reforms can hoth the agricultural unions and Political leaders agree with the langua companies operating this long-term view, but some in the Uraha region to the couth, have already warned that the the Government named a high-



rilla attack on a police patrol in the Guatira Peninsula; five peas-

country may be headed for level military commander and full-scale civil war unless the amounced emergency plans for Government reacts immediately. The violence is as varied in origin as it is geographically: lest the grounds that the missances week began with the shooting of a university dantistry professor had been carried out by paramilia university dantistry professor in Medellin; four died in a guer-not be expected to dismanife rills attack on a volice natrol in them. The Ministra of Justice. tery gummen and a general could not be expected to dismantle them. The Minister of Justice agreed that the extreme right is probably responsible for recent killings in Urabs, but issues such

dent: if the military, rather than agricultural programmes in area civilian politicians, are given control of problem regions, this could permit a creeping militaries cist reforms, the extradition of ation. This reasoning supports the view that constitutional ers to fight terrorism and trafficient especially to the state of ficking - have foundated so regulate cisuse - is needed to give lady that the competence of Mr the executive greater strength for

dealing with such situations.

President Barco's January proofficial commitment to breeking
posal to speed constitutional up and disaming the 140 or more
change by holding a plebiscite death squads and self-defence change by holding a plebiscite
was mempectedly well received
and helped restore a sense of
leadership. That his initiative
should have dissolved so quickly
was due to political hickering
and the legalistic swamp which
has already absorbed many of the
advantagement. Note ministration's decrees. Now the President will have to raise broad-based political backing strong enough to carry the plebi-scites through, or let plodding congressional procedure take its

In 20 months of Liberal govern-ment, eschewing the traditional consensus with the Conservative consensus with the Conservative-Party, the most important politi-cal achievement has been to atabilish the direct election of mayors - a process which was begun by President Barce's pre-decessor. The mayors, who will take over on lune 1, represent a real change in the local balance of power in many areas and those elected in the most violently hat-tered towns are now attentime probably responsible for recent elected in the most violently batkillings in Uraba, but issues such the course are now attending as land disputes, labour relations courses on the workings of the substance.

Although the plan has little to show so far, funding has been intracted as a dangerous precedent; if the military, rather than civilian politicians, are given concivilian politicians, are given con-

death squads and self-defence groups acknowledged by the Gov-

The economy, which grew by 5.6 per cent last year and was, until recently, seen as the administration's major success, now looks less healthy: a poorly formulated the major at poorly formulated the major at the second s panic that taxpayers withdrew massive amounts of cash from their bank accounts, for fear of being assessed on deposits. The regulations were changed, but not before the financial system and the construction industry been severely affected. Although even the most vulnera-ble sectors have managed to weather violence and guerrilla sabotage up to now, gold and oil operations, banana exports and form production are suffering.

Colombia's ability to ride through appellingly brutal civil wars has often been tested in the past. For many, the tolerance of such high levels of violence is almost as dangerous as the kill-ling time!

"The right to live" has become a slogan for marches and political gatherings around the country. It was a ghastly from that, after a meeting on "the right to live," sin Indian delegate returning home was taken off the bus by gumen and executed. At the same time a Liberal party conasme time, a Liberal party con-ference concluded that Colombia has become a country where "the state is incapable of guaranteeing

Brazil corruption inquiry fails to unearth hard facts

TWICE this month the top celling have all affirmed their conviction newsmagazine Veja has featured that malpractice has been comthe topic as its cover stay. Every day, Brazil's most infinential

newspapers devote pages to the Yet after nearly two months, a enate inquiry into corruption has come up with only hearsay -the so-called sea of mud that has further demoralised the already debilitated government of President José Samey.

That there is something worth evestigating is beyond doubt. So far in testimony to the senate committee ex-finance ministers Mr Dilson Funaro and Mr Laix Carlos Brasser Pereira, and ex-planning ministers Mr Joso Sayad and Mr Anibel Teixeira,

monplace. None, however, claims to be able to name with conviction who is guilty or of exactly what.

The inquiry began with an examination of the distribution of government funds by the planning secretariat, then under himister Teixeira. It found that unusually large sums had been allocated to the minister's home state of Minas Gerals, and that two of his relatives had allegedly benefited from allocations. Mr Taixeira has since been

indicted on charges that carry seniences of up to eight years. But he has denied the charges and, in turn, alleged that others

Bruce Clark, recently in Genoa, reports on an ambitious plan to expand port capacity more than threefold

in the Sarney administration have skeletons in the cupboard. Since then, further inquiries by the senate committee have uncovered more mud but little genuine evidence. Mr Funano and genuine evidence. Her runsice and Mr Sayad have testified that they were asked to authorize a decree after it had already been published in the official journal and was therefore in force.

This allowed the retrospective payment of inflation costs to gov-ernment suppliers of goods and

Mr Funaro told the committee that he was promised by officials in the Flansho Palace, Mr Sar-ney's executive offices, that the decree would be altered subse-quently, but it was not.

His successor, Mr Bresser Per-eira, revealed another unusual occurrence. He claimed that he occurrence. He claimed that he had long been unging the elimination of a freight duty charged on imported goods, a proportion of which is passed on to shipping companies. Soon after his resignation, however, the duty was not only maintained but the shipping commander, subsidy was hing combanies, enperty was

Neither of these two cases has established corruption. But they have provoked widespread suspicion across the country and Mr Sarney has accused the committee of waging "moral ter-rorism" against his administra-tion, Mr Antonio Carlos Magalhaes, the Communications

year, but for the dollar's weak-

The losses are entirely attribut able to liner services. At current

rates in the charter market, the tramp shipping division is profit-able, although not profitable

enough, the company says, to set aside the necessary money for

renewing the fleet.
All Genoe's shipowners, public

operating a ship with 22 seamer are L430m a year for a Korean

crew, L570m a year for an Indian one, and L1.2 bn if the sallors are

owner Mr Akio Grimakii.
That in turn raises the issue of whether Genoe's shipping community should be in the tramp business at all, given that labour costs are a decisive factor in community.

Mr Nicky Costa, the young

scion of an illustrious family of shipowners and industrialists has decided that the answer for him

is no. His fleet consists entirely of luxury cruise liners; he uses

eira.

"It is not possible for an exminister like Bresser to say he knows that there is corruption and not to present a single fact,"

now calling for Mr Saulo Ramos and Mr Jorge Murad, two key advisers to (and the latter a son-in-law of) the president, to be called to testify. Mr Ramos has replied that he would be happy to

gesting that there is no smoke without fire. But increasingly few believe that any fire will be

WORLD TRADE NEWS

House in bid to save trade bill from veto

BY NANCY DUNNE IN WASHINGTON

THE House of Representatives was last night considering a lastminute motion to save the 1988 Trade Bill from presidential veto by sending it back to a House-Senate Conference for re-consideration of a controversial provision on plant law offsion on plant lay-offs.

President Reagan has said he will veto the entire bill if it comes to him with the provision requiring employers to give at least 60 days' notice before large plant closures or lay-offs. Congressional experts believe the clause is the one item left in the bill over which a presidential veto might be sustained.

The motion to recommit the hill to conference was offered by Mr Robert Michel, the House Republican minority leader, who wrung permission to offer it from a Democrat-dominated House

Its chances of passage were regarded as alim as the debate began yesterday. The vote on the motion should, however, give a clear indication about the Democrats' willingness to compromise with the Administration on plantclosures as well as about the chances of a veto being sustained should the clause remain in the

legislation. Where we Organised labour has lobbled economy.

Pipelines 'could reduce

demand for tankers'

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

sure, but some Congressional Democrats have considered removing it from the trade bill

Hill this week in an attempt to ensure that a presidential veto will be sustained.
Still, there is some fear among Republicans that total failure of the trade bill would hand the Democrats a popular issue in the November general election. To Mr Rufus Yerza, staff direc-To Mr Rufus Yerza, staff director of the House trade subcommunities, the bill has been shorn of of the Far East and North American

hard for the plant-closure mes Democrats have considered the model of modern Italian monaremoving it from the trade bill and attaching it to another piece of legislation. They have sought absolute assurances from the White House that the bill will be signed once the plant-closing measure is removed.

Mr James Baker, Treasury Secretary, and Mr Clayton Yeuther, Trade Representative, have been meeting Republicans on Capital Hill this week in an attenut to

mittee, the bill has been shorn of its most damaging provisions while providing the cohestye trade policy the US has lacked.

The failure of the US Congress to pass a bill which President Reagan could sign would ultimately burt the rest of the world as well as the US, he said. "It would mean," he said, "that there's nothing but partisanship and rancour in the US about

where we are going in the world

"GENOA LA SUPERBA", the port city was called at the height of its medieval power as a city-state of colonisets, sesonen and merchants. The 18th century palmerchants. The 18th century pal-ace that houses the port author-ity is redolent of a glorious past, but these days, the talk is more of telematics than of history. And Mr Roberto d'Alessandro,

the model of modern Italian mon-

between inefficient, traditional working methods and the hard logic of the international market. Mr d'Alessandro is implementing a L1,000hm (8800m) plan to streamline the port administra-tion, increase container capacity from 300,000 teus (20-foot equiva-

The initial aim is to recover the port's natural business, that of overseas exports from Milan. In recent years, Milan industrialists have preferred to despatch their goods from Rotterdam or Hamburg, rather than cope with working arrangements not on the perceived inefficiency of grounds that they protect work of Genoa's shipping agents, Genoa, 100 miles away.

nean ports from users of north-ern ones. Part of the thinking is that the Europe-Far East line is one of the few world shipping routes whose importance is growing, and that Genoa is well placed to benefit.

In the best traditions of Har-vard Business School, Mr d'Alessandro has broken up the port's Byzantine bureaucracy into 11 separately accountable companies: the main ones deal respectively with container traffic, pessengers, the oil terminal, general cargo and the airport.

Perhaps inevitably, the effi-ciency drive led to confict with the 600-year-old guild of Genos

dockers. For nine months last year, the port was disrupted by persistent work stoppages, as management and workers arm-wrestled over emotional issues like demarcation and chains of A compromise was reached in December, and both Mr d'Ales-sandro and the dockers' leader, Mr Paride Batini, are both at

pains to stress their new-found harmony of purpose.

"Wa and Mr d'Alessandro were divorced for a while, but now we have remarried," beams Mr Batini. He defends his preferred

business from Switzerland, pushing northwards the Rast-West boary old issues like that of who line dividing users of Mediterraare being superseded by technology: these days it is a computer, rather than managers or foremen, that gives the instructions. Mr d'Alessandro, a former Flat executive, is visibly relieved to have the strike behind him. The settlement has made it easier to include his real passion, which is seiling. In the last four mouths, he has promoted Genon's services

in Taiwan, New York, and Lop-After a 14 per cent downturn in container business last year, attributed to the strikes, traffic in the first two months of 1988 is up Some in the shipping community warn that rebuilding Gen-on's reputation will be difficult, given its long-standing reputa-

Mr Enrico Scerni, the president of Genoa's shipping agents,

Latest results are encouraging. by 45 per cent. This year will be a hig test for the port: having just opened a 200,000 teus terminal, it will be under pressure to show that the investment was justified. tion for inefficiency, it was this perception that led a private shipping company, Tarros, to abandon Genoz in 1970s and set up a private container terminal at nearby La Spezia. That port, which in the recent past was thriving on Genoa's fallings, now faces labour problems of its own.

dro regime is supported by the more "serious" members of Genoa's powerful lobby of freight forwarding agents, but there is a minority which is not so happy. For example, a thrice-weekly container train service, with a simple, transparent pricing sys-tem, started calling at the port last year following an agreement between Mr d'Alessandro and the state railways. That should certainly make Genoa more attrac-tive to ahippers; but it also limits

labour practices; it is essential, he says, that unjustified union privileges are ended before the vast new Voltri terminal, with

initial capacity of 400,000 teus,

Starts operating next year. Port officials say the d'Ales

the opportunities for freight for-warders to pass imaginary "costs" on to their customers.

One place where the "d'Ales-sandro phenomenon", as admir-ers call it, enjoys enthusiastic backing is the headquarters of Finnare, the sprawling public ahipping company which easily dwarfs Italy's private shipown-Finmare is making its own bid

or solvency, as it struggles to bal-ance public responsibilities, such as the provision of farry services to the Italian islands, with finan-

cial health.

Armed with a 10-year public sources food as a seiling point investment programme amount and charges correspondinglying to Lilloon, it has ordered 15 high prices.

Israel, EC nearer to Genoa seeks to recapture medieval prosperity **West Bank** farm deal Losses have gradually been trimmed, from L120bn in 1963 to L50hn last year, the company says it can break even by 1989, and would have done so last

By Andrew Whitley

ISRAEL and the European Commission are edging towards a compromise agreement on their running dispute over the export of West Bank and Gazan agricultural produce to the Community. In October 1968, the European Commission offered access to the Community market to farmers from the occupied territories, on the same terms as those enjoyed

and private, complain about the high labour costs incurred under the lialian flag. Annual costs for until record The Israeli Government has until now consistently refused to permit the Arab produce to go through its ports to Western mar-

ers' lobby, Israel has argued that all agricultural exports should go through one of two state organ sations, the Citrus Marketing

Board or Agrexco. But question marks hang over the willingness today of Palestinis ian farmers to accept an arrange-of ment they would have seized with alacrity six months ago.

Opinions have hardened since the unrest began in the occupied territories in December, and a climbdown from the principle of unimpeded exports through Israeli ports may be difficult to

In addition, several EC govern-ments, notably those of Britain, France and Greece, are understood to be unhappy with some of the details of the new arrange-ments concluded last week.

Approval of the compromise by the Commission would enable the European Parliament to reconsider an agricultural trade protocol with Israel rejected last

typewriter and weighing scale The duties were imposed on parts in the forum of the General four Japanese producers of type-Agreement on Tariffs and Trade. writers, and varied from from ries, issued by the Ministry of Agriculture in Tel Aviv, exports of Palestinian fruit and vegetarules because, they say, it was The largest Japanese type-taken without investigating writer maker, Brother, escaped Agreero, the Israeli state market bles can either be handled by the duties, apparently because ing organisation, or sold through

Japan seeks end to beef row

A SOLUTION to the problem of side says the incremental expansion.

Japan's restricted imports of increase in imports should be 10 This sui foranges and beef, the subject of per cent annually.

Despite the Administration's facket. The sund Washington, is being sought commitment to reform of agricultural imports, it is still reststing earl Democratic Party, with an any pressure on the sensitive eras are taken to but this Y3 the US in the next two weeks, Mr lem in accommodating agricultural recursis according to Mr. date for the full liberalisation of The reform of Japan's proimports of beef and oranges, with
a gradual lifting of import quotas the agenda for reform. "But peobetween now and then. Although ple are worded rice will be on the
the LDP has resisted setting a agenda, and we have to avoid
date, Mr widnesse agendated that that,"

Michio Watanabe, one of the tural requests, according agriculmost powerful LDP leaders, said
Mr Watanabe, chairman of the tural requests, according to Mr
continue to stimulate domestic
demand, he went on. But he
low Watanabe, chairman of the rice Rice is the main bulk of our
cantinue against reckless issulow Bollow Research Council, agriculture, not just as producers
and the US is demanding a clear
but as consumers.

The reference of the support of the second of the sec

the two sides are now "talking Mr Watanabe also said Japan

This suit cost Y300,000," said Mr Watanabe, pointing to his jacket. I have some suits which cost Ylm. But these are not taxed. It seems strange that cameras are taxed as hixury goods but this Y300,000 suit is not.

On the issue of beef and oranges, Japan faces a Gatt panel on the matter if the two countries cannot reach agreement by May 4. Some Japanese have argued that the Gatt panel proce-ture could be more favourable about [a] five-year [time limit] as must continue to stimulate its for Japan than agreeing on a more or less a target."

The US is asking that import quotas be increased by 50 per Japan's tax system would provide a majority feel a Gatt solution cent a year, while the Japanese the fuel for continued economic would be more favourance than agreeing on a bilateral solution with the US. However, Mr Watanabe said that quotas be increased by 50 per Japan's tax system would provide a majority feel a Gatt solution would be toughter on Japan.

typewriter challenge

concerned were dumped or the local content at its UK fac-wbether their importation had try is well over the 40 per cent. However, this

Tokyo confirms Gatt

nity's decision to impose antidumping duties on Japanese The Japanese believe the decision is in contravention of Gett unit. whether or not the components

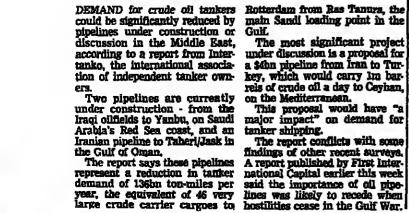
THE Japanese Government yes and Industry officials said they terday repeated its intention to had already requested a special challenge the European Commu-session of Gatt's anti-dumping practices committee next month to discuss the matter.

Ecu21.82 per unit to Ecu56.14 per

whether their importation had really caused injury to European producers.

The RC has been campaigning anced by a requirement to against the establishment of scalled "screwdriver" plants in Europe, where companies attempt to avoid dumping duties in the Gatt."

However, this important concession of principle is counterbal anced by a requirement to receive an Israeli government licence for every single shipment. Such licences will be granted on a discretionary basis, depending on whether or act Israeli interests in the EC market would be affected.





Every estate car is designed to be practical. As a single design objective this is quite easily achieved: all you need is a van with an extra set of windows.

However, the concept of marrying a practical load space with the quality of drive and comfort of a saloon car is a different matter altogether.

rd fact

Israe.

neare:

West=

farms

After all, should luxury, comfort and style be the sold preserve of saloon cars? Mercedes-Benz

their point with the T-series. Why shouldn't an estate car driver be in control of a high-powered engine with smooth, responsive performance? Why shouldn't an estate car driver be able to take a corner at speed with confidence or drive long distances without weariness or discomfort? The T-series was purpose designed to provide extra space but not at the expense of those qualities that make a car a Mercedes - Benz.

To be judged a luxury car an estate needs to have a refined engine of two litres or more, powerassisted steering, a quiet interior with low wind and road noise, a smooth, comfortable ride, a stable suspension system for good road-holding and a high cruising speed for effortless long distance travel.

With the 2 litre 200T that is exactly what you get. Not to mention the many other standard features like the separate passenger and driver heating controls, tinted safety glass all round, heated windscreen washer nozzles, and the reason most people decide on an estate in the first place: a large load space that has a multiplicity of space variations with a rear bench seat that divides (one third/two thirds) and a front passenger seat that folds right back.

Mercedes-Benz present

an interesting

don't think so and have more than proved innovation in estate

Sophistication.



ENGINEERED LIKE NO OTHER CAR IN THE WORLD.

There are, of course, optional extras you can add yourself. Such as a power-assisted tilt or slide sunroof, cruise-control and a third row of rear-facing

> seats which folds down flush with the floor. Should your motoring require an even higher

degree of sophistication, the 2.3 litre 230TE and 3 litre 300TE will_more than adequately provide it.

The top of the range 300TE has a powerful six cylinder, 188 DIN/hp engine which out-

performs most luxury cars in its class. On the test track it can easily achieve I30 mph and its 0 to 60 time is less than 9 seconds (manufacturer's figures). It also has automatic four-speed transmission with sport and economy selection, ABS braking and electrically operated windows as standard.

Completing the range is the 2.5 litre 250TD which has a supremely refined five cylinder diesel engine. It also shares a whole range of unique Mercedes-Benz features standard on all T-series models. These include a self-activated electric motor which firmly shuts the tailgate once it is in the 'close' position, the multi-link rear suspension system which incorporates a self-levelling device for sure-footed roadholding irrespective of load, electronic seatbelt tensioners which take up the slack in the front seat-belts on impact and, as you'd expect, energy absorbing front and rear crumple zones, with the rigid passenger safety cell which Mercedes-Benz invented.

All in all, four superb estate cars with an intricate variety of options and every conceivable comfort you'd expect from a luxury car. Proving that with a Mercedes-Benz estate you don't go without sophistication, you get it all with room to spare.

A SHIP'S master who diagnoses provided with a medical Guide instructing him on how to deal with mental illness, has a duty to act as a reasonable master, armed with the Guide, would act in the circumstances; and if, on eaman ashore immediately after diagnosis, the shipowners will be liable for his death if it results from the master's unjustifiable

Mr Justice Tudor Evans so held when giving judgment for the plaintiff, Mrs Dool Tarabi Ali, her deceased husband, Mr Ahmed Yusef All, on a negli-gence claim against shipowner, Furness Withy (Shipping) Ltd, under the Fatal Accidents Act 1976 and the Law Reform (Miscel-laneous) Provisions Act 1934.

decision to keep him on board.

Ship owes duty to insane seaman

could discover signs of drilling.

There were none.

Mr Ali refused to return to the cabin. The master arranged for hospital, but Mr Ali only stayes the said he had no intensive hospital, but Mr Ali only stayes. He cabin because of the swall and the harmonic discover complained that people were banging on the hospital door.

The master consulted the "Ship Captain's Medical Guide" which saked to be transferred to the diagnosis and nursing of mental disorder and instanty.

According to the master's evidence, when he looked at the Guide he began to think that he Guide he began to think that he Guide he began to think that he was not action of mental disorder, but he was not substitute and watch heard banging noises not absolutely sure.

He persuaded Mr Ali to be accommodated in the Pilot's cabin. The master then decided that the date of the began to think that he does not should be considered and watch heard banging noises not absolutely sure.

He persuaded Mr Ali to be accommodated in the Pilot's cabin. The master then decided that the door and said he trusted no can conthe shape to the produced a knife from the morning the master then decided that the towed be produced a knife from the morning the master was no the sain.

During the morning the master carried out investigations. Those was morning the master should the cabin. The master then decided that the towed he produced a knife from the morning the master should the capital tower.

During the morning the master sampled to Skided and two tags and outside. At 9.30pm the color and said he trusted no capital the master should have diagnosis. The measter the began to think that the door and said he trusted no capital the master should have diagnosis. The measter the began to think that the waste of the sample produced as the capital tower.

The master the decided that the sample produced as the sample produced as the sample produced as the sample pr

Furness Withy (Shipping) Ltd, under the Fatal Accidents Act 1976 and the Law Reform (Miscellaneous) Provisions Act 1934.

HIS LORDSHIP said that Mr Ali was employed by Furness Withy on the MV Joule. He was an experienced and competent seaman, and was respected on board.

On March 27 1963 the Joule darked in view of what he read anchored about one and a half miles off Skikda, an Algerian port.

The log recorded that at the Ali would not take the drink in which the tablets was locked on the inside. The door in the Guide, have done in was locked on the inside. The door in the Guide, have done in the drink in which the tablets was locked on the inside. The door in the like circumstances?

There was no "practice" as to strap to secure the head. Canvas the was company who became and secured by straps. By 10.10mm, according to the was also secured by straps. By 10.10mm, according to the was mentally disturbed. He was neaster was mentally disturbed. He was mentally disturbed. He was neaster was no "practice" as to strap to secure the head. Canvas the was the produced a knife from under it.

Britis allegations. Those questioned were astonished at Mr ali secured by straps. By 10.10mm, according to the was neaster. The was also secured by straps. By 10.10mm, according to the was calmer. The was also secured by straps. By 10.10mm, according to the was calmer. The was also secured by straps. By 10.10mm, according to the was calmer. The was also secured by straps. By 10.10mm, according to the was calmer. The was also secured by straps. By 10.10mm, according to the was the dide over the hips and legs and was also secured by straps. By 10.10mm, according to the was the dide over the hips and legs and was also secured by straps. By 10.10mm, according to the wint should have been done in the circumstances, was to ask the wasch remained.

At 10.20pm the master was how to deal with a member of a strap to secure the head. Canvas the part folded over the hips and legs and was also secured by straps. By 10.10mm, according to the wint

alleged to the master that four the log, the master contacted the persons were plotting to cause agents requesting medical treatment serious injury, and that people had been banging on his door and drilling holes in the bulk-head to keep him awake.

At 9.10am he said people were entry was that the master was in plotting to kill him. The master touch with the agents requesting to the said people were touch with the agents requesting to the said people were touch with the agents requesting to the said people were touch with the agents requesting to kill him. The master that four in manufactured in the comb kincum to our in. The question whether the master that the comb kincum to our in. The question whether the master to discharged Furness Withy's ing the master's actions.

As indicated in the log the master that Mr Ali was suffered in the comb kincum to our in. The question whether the master that Mr Ali might be trying to get duty of care had to judged in the out of the port. He ran to the light of his knowledge from poop deck and ondered the crew between 11.30am and 12 noon on the master was in to lower the accommodation ladder. He went down it as it was ing from serious mental illness.

When he made the diagnosts he knowledge from poop deck and ondered the crew between 11.30am and 12 noon on the master was in to lower the accommodation ladder. He went down it as it was ing from serious mental illness.

When he made the directions.

was aware of those passages. At 11.30am to 12.00 noon he knew or should have known that he had on his ship a deluded, insene and potentially dangerous man who could not be expected to improve and who urgently needed treat

immediate steps to get Mr Ali ashore both for his own safety and that of the crew. The recom-

ter requested the agent to send a boat at 4.15 pm. That showed he had in mind the risks involved.

He should have obtained the assistance of a pilot launch or tug. When Mr All threw himself in the sea the port authority sent. out two tugs very quickly. On the evidence it would not have been

to a knuch or tug. Had that been done the death would have been

reasonably safety, have been kept on board. He was negligent in on board. He was negogeth in failing to get Mr Ali ashore when he reached his diagnosts. After 6.25pm when Mr Ali was transferred to his own calm the

ports were not checked and Mr Ali was left alone, inadequately restrained in the stretcher.

and did foreses how dangerous was Mr Ali's mental state. He was negligent with respect to the steps taken after Mr Ali was put in to his own cabin.

Also it was readily for that a master key might have to be used in an emergency. The key did not fit when required in an emergency. Furness Withy had failed to carry out a proper inspection of the locks on board the Joule. It accepted that had the key worked it would probably

For all those reasons, Furness Withy was negligent. Mrs All was entitled to damages.
For Furness Withy: Colin MacKay (Herbert Recors & Co) For Mrs Ali: Winston Roddick Qu

Rachel Davies

Free State Consolidated **Gold Mines Limited** (Incorporated in the Republic of South Africa)

FIRST INTERIM DIVIDEND NO. 66

On Thursday, April 21 1988, interim dividend No. 66 (being the first hits dividend in respect of the financial year of eighteen morains ending March 1989) was declared as follows:

Last day to register for dividend jurid for changes of science or dividend instructions) Monday, May 8

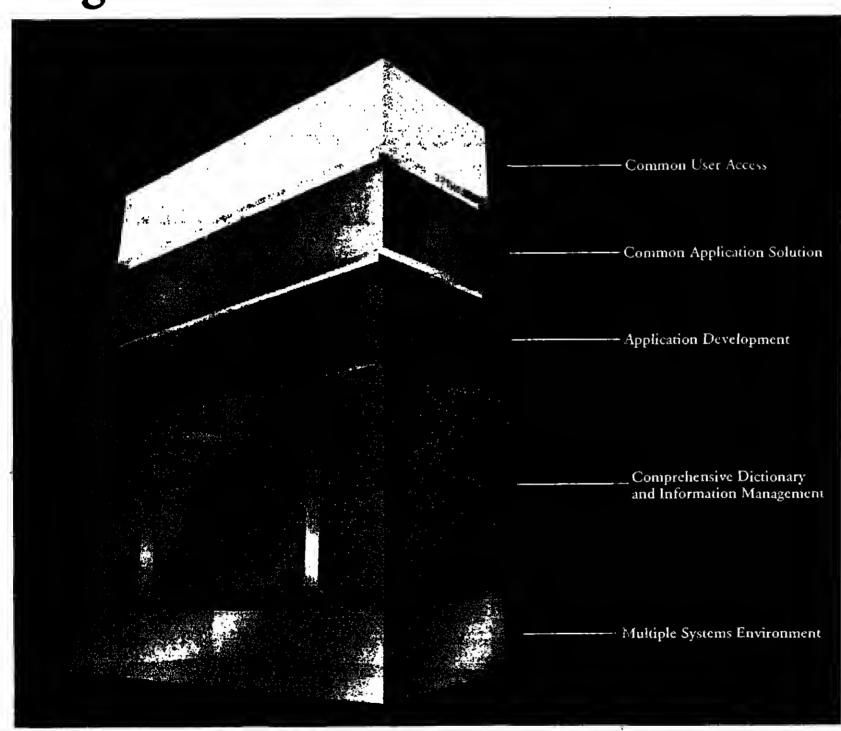
Change of managers of the decided of the been decided, for administrative reasons, to on year end from September 30 to March 31. The company will therefore be a period of eighteen montained with the considered by the b By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Secretaries per: N.B. Stinton

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60 cents per shar Lest day to register for divid (and for changes of address dividend instructions) Thursday, June 9 The full conditions relating to the dividend may be inspected at the Johannes and London offices of the company and its transfer secretaries.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED per: A.J.S. Sebbr

London Office 40 Holborn Viaduct London EC1P1AJ 999

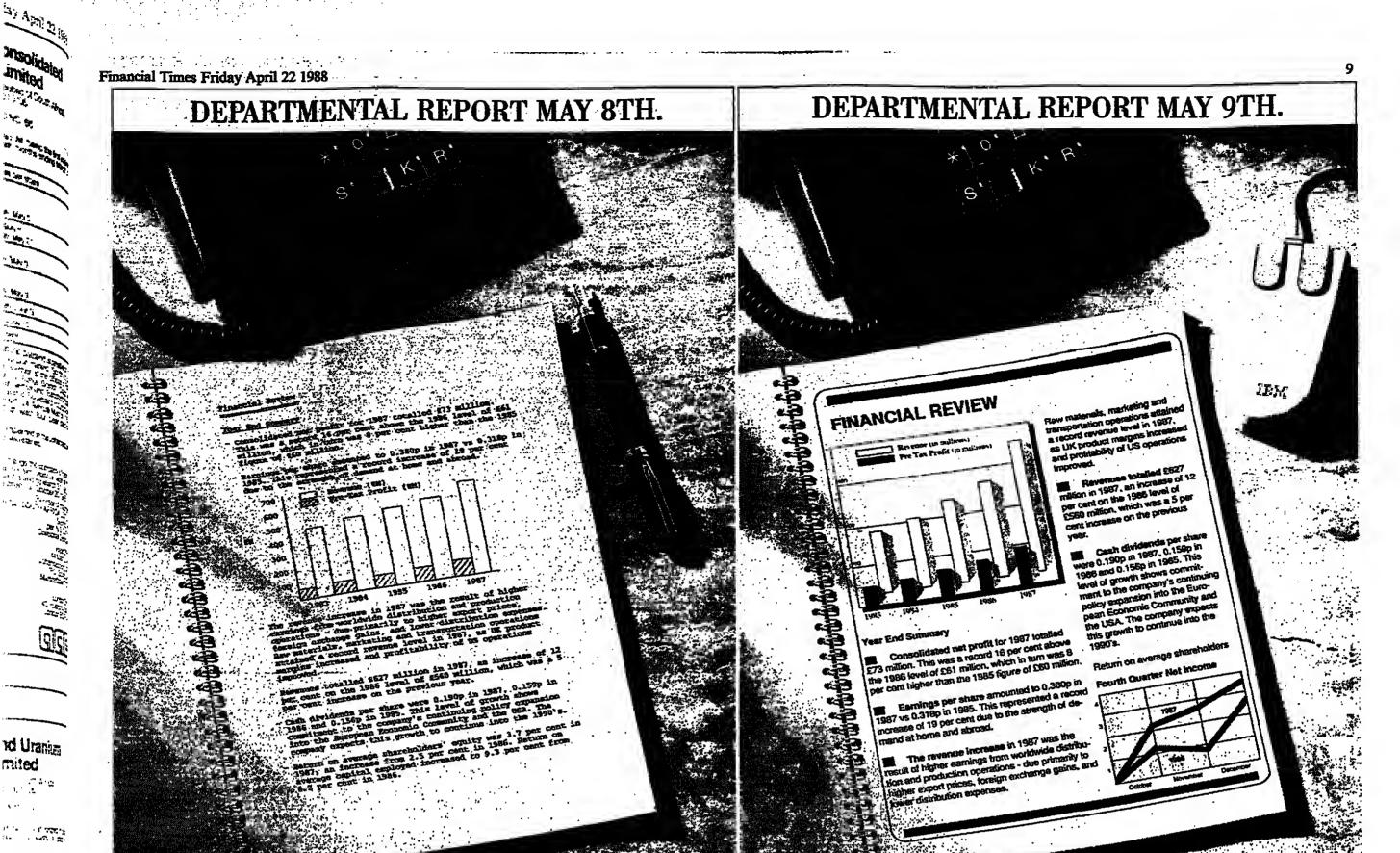
	SP	ONSORED	SEC	UR	IT	IE;	S.
					Gross	Yick	
	Low	Company	Price	Change	qu (p)	%	P/E
175	185	Ass. Brit. led. Ordinary	190-4	0	8.7	4.5	7.4
199	186	Ass. Brit. Ind. CULS	199mi	0	30.0	5.0	-
33		Armitage and Rhodes	33	0	-	-	
57		250 Design group (USM)	56		21	4.1	8.0
162		Bartion Group	162	0	2.7	1.6	23.7
148	137	Bray Technologies	141=	0	5.2	3.7	10.2
250	246	CCL Group Ordinary	257	0	11.5	45	6.6
131	124	CCL Group 11% Com. Pref	130	0	15.1	71.6	
	127	Carborandese Ordinary	133	42	6.1	44	9.2
106	700	Carter and am 7.5% Prof	106	0	20.3	9.7	
720	147	Coorge Blair	220	0	3.7	. 17	61
75		his Group	75	+1			
94	87	Jackson Group	8B	0	3.4	3.9	9.7
	26	Marthouse NV (ArestSE)	325		20.4	3.3	12.5
52	4	Robert Jesides	42				24
124		Scrittont	120m	0	5.5	4.4	31.8
204	194	Torday & Carlisle	200	0	7.7	3.9	7.7
80	56	Trestan Holdings (USM)	80	-16	2.7	3.4	8.6
106		Delstrut Europe Com Prof	106	+1	8.0	7.5	
280	703	W.S Yestes	280	42	36.2	5.8	7.9

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	nela Preston at IBM United Kingdom	IDM

Wednesday May 11th, 1988 at 10.00 a.m. in the Hotel Savoy, Zurich, with the following agenda:

A G E,N D A

- 1. Approval of the Minutes of the 10th Ordinary General Meeting of Shareholders held on April 24th, 1987.

 2. Submission of the reports of the Board of Directors, the balance sheet and the profit and
- loss statement as per December 31st, 1987.
- Submission of the report of the Statutory Auditor.
 Approval of the report of the Board of Directors, the balance sheet as well as the profit and loss statement as per December 31st, 1987.
- 5. Discharge to the Board of Directors in respect of the carrying out of his duties during
- Determination concerning the profit as per December 31st, 1987.
- Split of the shares i to 10.
- Resignation of the Board of Directors.
 Election of the Board of Directors.
- 10. Election of the Statutory Auditor.

The Business Report containing the balance sheet, the profit and loss statement, the report of the Statutory Auditor as well as the proposal of the Board of Directors how to utilize the profit as per December 31st, 1987 is at the disposal of the Shareholders at the Head Office of the company as from April 25th, 1988. The Shareholders can receive the Business Report in addressing their written request to Fides, Elisabethenstrasse 15, 4051 Basel.

The Shareholders who wish to attend the Ordinary General Meeting or wish to be represented by another shareholder can get their entry card either at their depositary bank until May 5th, 1988 or directly at Fides, Elisabethenstrasse 15, 4051 Basel, against presentation of a bank certificate stating that their shares are blocked.

> On behalf of the Board of Directors The President: Klaus H. Moeller

> > LONDON

Lottery set up to supplement health service

the state provision of medical Adrian Blennerhassett, a man-care which is under severe finan-call strain and Government consultant and Bernerhassett. review, could receive a cash infu-sion of up to £40m a year from

lottery with a potential top prize of £200,000 were announced yesterday in the UK.

The scheme, which has been worked out after taking "extensive legal advice" by a company called Loto, is based on establishing 100 local lotteries each seiling tickets corresponding to a pair of district health authorities. A national lottery would be illegal national lottery would be illegal under existing legislation.

Fiayers will pay up to £2 for a its own sort of lottery — prestake in the weekly draw and the mium bonds — and second winning pool will be half of the because it is agreed by Govern-total stake money. The NHS will receive 35 per cent of the stake scope for more money to come money with the prescription 15. money with the remaining 15 per cent going to the cost of running

the lottery.

The scheme was outlined by

director of the Office of Health

Sir Douglas stressed that the lottery is "a contribution not a substitution" for finance from taxation for the NHS. He said he had no qualms about sourcing health funds from gambling. The Health Service needs more

money, he said. sor Smith said: "It seems to fit in with what we understand is the Government's philosophy."

"It will be illogical if the government objects," says Sir Doug-las Black. "First, because it runs scope for more money to come into the NHS."

The organisers hope to turn over about £75m in the first year, rising ultimately to the maxi-umum possible £150m under the

nons the Government contributes to the Health Service.

A Health Department spokesman said the scheme would be studied and hoped it would not affect the valuable charity work. heing done in these areas locally.

At the start, five million homes in England, Scotland, Wales and Northern Ireland, will receive compone through the mail. If the lottery is a success, the organisers plan to blanket the whole country.

The game consists of selecting our numbers out of a selection of 49. The first prize goes to those with all four correct. The odds of winning outright are one in 211,876. Second prizes will go to those with three correct num-

raised by Mr Cummins and finan-cier Mr Souhail Mansour.

The scheme was outlined by Sir Douglas Black (pictured right), pest president of the Royal College of Physicians and of the British Medical Association. He is chairman of the newly established National Hospital Trust, which, along with Mr Roger Cummins of Loto who devised the scheme, will run the lottery.

Over about £75m in the first year, rising ultimately to the maximus of the maximum possible £150m under the most other western nations, have a poor record of success. Cummins says it is hard to know how the British public will take to this idea but six weeks should authorities nationwide to spend as they see fit.

Mrs Edwina Currie, junior first week, rising to above the scheme, will run the lottery.

Lotteries in the UK, unlike most other western nations, have a poor record of success. Cummins says it is hard to know how the British public will take to this idea but six weeks should authorities nationwide to spend attract 100,000 players from the first week, rising to above the maximus of the result of the maximus to the under the mins says it is hard to know how the British public will take to this idea but six weeks should authorities nationwide to spend as they see fit.

Mrs Edwina Currie, junior first week, rising to above the maximus of the record of success. Cummins says it is hard to know how the British public will take to this idea but six weeks should authorities nationwide to spend at the organisers expect to attract 100,000 players from the first week, rising to above the little of the scheme of the properties of the scheme of the maximum possible £150m under the mins and to the organise success. Cummins at the UK, unlike most other western nations, have a poor record of success. Cummins says it is hard to know how the British public will take to this idea but six weeks should antipolic will take to the scheme of the properties of the scheme of the maximum possible £150m under the maximum properties in the UK, unlike most other western nations, have a poor record of success. Cummins says it is ha Lotteries in the UK, unlike



Taxes boost surplus in PSBR

HIGHER tax revenues and lower public spending were responsible for a public sector borrowing requirement surplus of £3.6bn in the 1987/88 financial year, accord-

Analysts said it was too early to challenge the Treasury's forecast of a PSBR surplus of £3.20m for the current year but there was a general presumption that it was a cautious prediction.

The Treasury said the main primarily the result of lower out-reason for the surplus in the lays for unemployment and other PSBE was the higher-than-esti-social security benefits. the 1987/88 financial year, according to difficial Treasury figures.

The PSBR was ABOUT \$500m in mated growth in revenues. In the budget the Treasury said income and company taxes grew public expenditure was likely to 13 per cent last year compared be \$2.6bn less than it first foreward the PSBR was ABOUT \$500m with a Treasury forecast of 125 cast and the figures indicate that

per cent

above the Treasury budget forecast.

Analysts said it was too early compared with a forecast of 8%. The figures show that the gen-

per cent.

However, savings on public requirement was £100m less than spending were also made. Expensiture was 3% per cent higher in the public corporations borrow-1987/88 than in the previous year, ing requirement was £400m less

Woolwich **Mortgage Rate Down**

reduction in the annual interest charged on

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repayment mortgages. However, if your present

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ants and from 1 May 1988 existing borrowers, your revised monthly payments will be notified following completion or can be obtained from the

your local branch. If you have an endowment or standing mortgage we will be writing to you shortly with details of your revised monthly payment.

branch processing your mortgage. APR shown is typical of an endowment loan for 25 years.

EXAMPLE: A married couple, aged 35 next hirthday, both non-amolers taking out an endowment anorgage of £25,000 over 25 years on a purchase price of £35,000. Monthly martgage physical £148,44 net of tax at the base rate. Monthly endowment

require a first mortage over your preparty (and in the case of a standing form the deposit of a suitable endowment policy or pension plan) as security. All loans are subject to status and valuation. Building travance is required, APR quoted is variable. Written details available on request from:

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Han an

THE GOVERNMENT yesterday attempted to regain the initiative in the debate on its handling of the national health service by carried out for nurses, will cost the health service hy carried out for nurses, will cost the Exchequer 2749m over and increases averaging 15.3 per cent for Britain's 487,000 nurses.

Many backbench Conservatives last night; warmly welcomed the pay rises, which they said should boost morale within the NHS and help recruitment. Some emphasised, however, that the awards health service hodget. It now will have little impact on the continuing problems of underfunding within the health service and that the issue will have to be faced sooner rather than later.

In a series of pay awards for 2,000 top salary earners — including judges and senior civil servants — to average rises of between 5.4 per cent and 7.4 per cent. These increases, together with average rises of 6.4 per cent for the armed forces, will have to be met out of existing departmental budgets.

The NHS increases — nine out

met out of existing departmental budgets.

The NHS increases - nine out of 10 nurses will receive rises of between 6.3 per cent and 33 per cent, with a small number getting up to 60 per cent - are substantially higher than had been expected. A staff nurse in intensive care could see her annual salary rise hy over £2,000 to £10,650 while the salary of an experienced sister in an acute ward could rise from £12,000 to £13,925.

Infiment to the nurses and the other NHS professions. He said "encourage people into nursing and to stay in nursing."

Mr Moore also confirmed that the pay review bodies would in future bring forward their time-table to report by early March at the latest. The change is intended to overcome criticism by the health authorities that they were being expected to set budgets ward could rise from £12,000 to the new grading structure would "encourage people into nursing and to stay in nursing."

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ward could rise from £12,000 to £13,925.

The awards, which were endorsed at yesterday's cabinet meeting, also include average increases of nearly 9 per cent for introduce the new structure within district health authorities, all those affected will receive interim pay rises of 4 per cent from April 1. The full increases just under 8 per cent for doctors and dentists.

EC must agree any aid for 'dream ship'

ANY GOVERNMENT aid for Harland and Wolff, the state-owned Belfast shipyard hoping to be contracted to build the world's largest cruise liner — codenaned the Ultimate Dream — would have to be cleared by the Brussels Commission in advance, EC yard. But if several EC yards are in the contract race, the Brussels Commission in advance, EC the lowest level of aid on after to ship in the sound apply said a Commission of the lowest level of aid on after to ship in the ship has invited no other linds.

The Sound project, believed to depend on the top 28 per cent subsidy sate allowed under EC rules, was discussed briefly yearly at a meeting on EC regional assistance for the proventies. ANY GOVERNMENT aid for Hardhuber, the West German Commissioner for regional policy and Mr Peter Viggers, Industry Minis-ter in the Northern Ireland

计分型工作符

Mr Viggers told journalists ter: It is premature to specu-

. Under the EC's 6th shipbuild-

in the case of the Harland and Wolff project, is intended to bridge the average gap in costs between European yards and their cheaper Far Eastern com-

Mr Viggers told journalists later: "It is premature to speculate how the Government will respond until we have received the costings from the company."

He said the government was committed to EC shipbuilding aid rules and recognised "that any support cannot exceed the 28 per cent limit."

It applies equally to all kinds of vessel, even though — according to Commission estimates — the to Commission estimates — the tocommission estimates — the tocommission estimates — the commission estimates — the commission estimates — the though — according to Commission estimates — the the cost of the commission estimates — the contract — the remain relatively competitive

P&O talks with striking seamen stay deadlocked

THE DISPUTE that has paralysed shop stewards of adopting an P&O European Ferries' crossChannel operations for over 11 weeks remained deadlocked last night in spite of the company's claims that nearly 1,000 out of 2,200 Dover-based striking seatism that nearly 1,000 out of 2,200 Dover-based striking seating that nearly 1,000 out of 2,200 Dover-based striking seating conditions.

Talks between P&O and the National Union of Seamen broke down after only 45 minutes and the striking seating of the Channel Tunnel in 1982.

The terms, which were put to the striking seamen over the heads of union officials two weeks ago, include altered shift pathage of the package and pany's managing director, last night described the meeting with local union officials as a "total waste of sine". He accused union officials and destructive attitude" and of prolonging the strike "for no good reason".

The company says the new terms it is proposing are essential cost-saving measures if the Channel Tunnel in 1982.

The terms, which were put to weeks ago, include altered shift pathage of the package of the packa THE DISPUTE that has paralysed shop stewards of adopting a

BY JIMMY BURNS, LABOUR STAFF

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BANK OF ENGLAND INTERVENES TO STEM STERLING RISE

Money figures reveal credit surge

THE BANK of England yesterday intervened in currency markets in an attempt to stem the rise in the pound after the release of money supply figures for March, which showed another surge in credit demand and a key Government money target growing faster than planned.

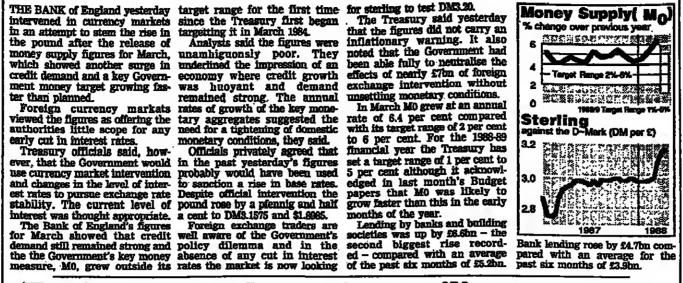
Foreign currency markats rates of growth of the key mone than planned.

Foreign currency markats rates of growth of the key mone than planned.

Foreign currency markats rates of growth of the key mone.

In March MO grew at an annual rates of growth of the key mone.

In March MO grew at an annual rates of growth of the key mone.



Ford plans shake-up in retailing structure

FORD'S 1,027 UK dealers have any one company or group.

The relaxation, resisted by parallel with conventional dealer week to prepare for a "revolution" in the way they sell and service cars.

The relaxation, resisted by parallel with conventional dealer outlets.

These will challenge the chains envisaged will require heavy of "fast-fit" specialist concerns, investments which laws any one company or group.

The relaxation, resisted by parallel with conventional dealer outlets.

These will challenge the chains of "fast-fit" specialist concerns, investments which laws any one company or group.

service cars.

Dealer association meetings throughout the country have been informed that as part of the preparations Ford, the UK car market leader, is easing its controls on the number of main dealerships which can be owned by

These will challenge the chains of "fast-fit" specialist concerns, investments which larger motor such as Kwik-Fit Euro, which in recent years have taken a large volume of service and replacement parts business from the traditional motor trade.

These will challenge the chains of "fast-fit" specialist concerns, such as Kwik-Fit Euro, which in recent years have taken a large volume of service and replacement parts business from the traditional motor trade.

For ditself is not discussing the chains of "fast-fit" specialist concerns, such as Kwik-Fit Euro, which in recent years have taken a large volume of service and replacements which larger motor in the country have been informed that as part of the changes will be the set.

embrace almost every aspect of distribution, sales and aftermarket activity and set out Ford's vision of how the UK motor trade will operate throughout the

It is known to be the end result of a secret, two-year study which has involved sales, marketing

Japanese telecom group to establish joint UK venture

BY TERRY DODSWORTH, INDUSTRIAL EDITOR KOKUSAI Denshin Denwa, industry has brought new comapan's main international tele petitors into the market, putting communications group, is pressure on the international launching a collaborative venture telephone companies to expand in London in a move aimed at the overseas with their own Incretive UK market in overseas operations. KDD, for example, is

two new operators in Japan, one of which, International Digital recently the only licensed international parators in Japan, one of which, International Digital Communications, is part owned by Cable and Wireless of the UK. set up a company offering a packaged service to customers who pany will be part of an oversees want an outside supplier to take network being set up by KDD care of their computer and tele-which also includes a Telehouse

Research Institute, a branch of the Japanese securities house, will be the other leading share-will be its smaller shareholders.

The new company is a further the long-standing monopoly other telephone companies with the long-standing monopoly other telephone companies over-terreture in interpretional corrections.

the long-standing monopoly other telephone companies overseas tructure in international communications. Until very recently
overseas telecommunications give communications advice.
British Telecom international,
which has had long-standing
arrangements with KDD, said
tem operators dealing with similar companies abroad.

Sea overseas for international traffic, and
give communications advice.

British Telecom international,
which has had long-standing
arrangements with KDD, said
tem operators dealing with similar companies abroad.

communications and data pro-cessing. facing domestic competition from two new operators in Japan, one The new London-based comcare of their computer and tele-communications operations.

KDD will hold 33 per cent in the organisation, to be called Telehouse International, with British Telecom putting up a fur-ther 12 per cent out of a total December 1989 and providing capital of £15m. Nomura space for computer systems.

Research Institute, a branch of

In the US, UK and Japan, how-because it complemented its own ever, the liberalisation of the activities in docklands.

NEW NETWORK, NEW TECHNOLOGY NEW STAFF,

HOWONEAR YOU RECOGRISE

There are, we admit, certain tell-tale signs.

Like aur bright red trucks. (Even the new anes are as bright and red as they ever were).

Those aside, there's a lat ta Rayal Mail Parcels new SuperService vau'll find less familiar.

For one thing, it's the first to actually guarantee 48 hour delivery to almost any UK business address.

For another, it's the only one specially designed for high volume deliveries. (In particular, heavy items and multi-pack consignments).

Of course, it hasn't come about overnight.



We've set up an entirely new network, separate fram aur standard service. Comprising 10 central hubs and 70 satellite depats.

We've also brought in new people. Experienced staff af aur own and new recruits fram outside. Just for SuperService deliveries.

And we've installed Eurape's mast advanced tracking system. So fast it can track a parcel en route ta any destination in 20 secands flat.

As well as pravide custamers with a weekly repart detailing every single delivery made.

Ta date, it's a tatal investment af £30m. But rest assured, this wan't mean paying over the adds.

Far from it. SuperService will be competitive with most ordinary 3 day delivery services.

But then, value far maney is alsa one af Royal Mail Parcels more familiar features.

And like aur red trucks, it's one we'd be loath to change.

Royal Mail Parcels **SuperService**

Balsam Sportstättenbau GmbH & Co. KG Steinhagen, Federal Republic of Germany

acquired

AstroTurf Industries Inc. Dalton, USA

a subsidiary of

Monsanto Company St. Louis, USA

Barclays Bank PLC Hamburg/New York

acted as financial advisers to Balsam on the acquisition and arranged the funding.

BARCLAYS BARCLAYS BANK PLC

RED NACIONAL DE LOS FERROCARRILES ESPAÑOLES ECU 100,000,000

The Kingdom of Spain Holders of Notes of the above issue ar hereby notified that for the interest penod from 22nd April, 1988 to 22nd July, 1988 the following will apply: 1. Rate of interest; 61/4% per annum 2. Interest Amount payable on Interest Payment Date; ECU 152.73 per ECU 10.000 nominal or ECU 1,627.26 per ECU 100,000 nominal

3. Interest Payment Date: 22nd July, 1988 Bank of America International Limited



FINANCIAL TIMES

DEFENDANT CLAIMS CASE UNCOVERED LOOPHOLE IN LAW

Forgery charge dismissed against hackers

TWO COMPUTER "backers" who mostly congratulations on the broke into British Telecom's birth of Prince William.

Prestel computer network were Lord Brandon said the two

zine, had dishonestly gained access to the Prestel data bank by "a trick" which was not a criminal offence.

ventures gained him access to the Duke of Edinburgh's Prestel messages file. Mr Schiffeen said yesterday that the messages had not been terribly interesting -

Prestel computer network were not guilty of forgery, five Law Lords ruled yesterday.

The Law Lords dismissed a prosecution appeal against the court of Appeal's decision last July that Mr Stephen Gold, an accountant, and Mr Robert Schifreen, editor of a computer magazine, had dishonastly gained.

Lord Brandon said the two men had used home micro-computers to gain unauthorized access to several Prestel computer ers, by obtaining and using other people's customer identification numbers (CINs) and passwords without permission.

They had obtained information

They had obtained information to which they were not entitled, made unauthorised alterations to stored data and caused charges to be made to Prestel account holders without their knowledge

Their object, said Lord Bran- "false instrument" was made by don, "was not so much to gain keying into part of a computer any profit for themselves as to (the user segment), without per-

demonstrate their skill as thackers.' It never occurred to them
that they might be committing
any offences under the Forgery
and Counterfeiting Act 1981."

Mr Gold and Mr Schifteen were
convicted in 1992 of time offences.

The Counter argued that the relthat they might be committing
any offences under the Forgery
and Counterfeiting Act 1981."

The Counterfeiting it.

The Counterfeiting it.

The Counterfeiting it.

mr Gold and Mr Schiffeen were convicted in 1988 of nine offences under the act, which were later quashed by the Court of Appeal.

Lord Brandon said a person was guilty of forgery under the act if he made a "false instrument" – an instrument being defined as "any disc, tape, sound track or other device on or to which information is recorded. to which information is recorded

The main issue was whether a

The Crown argued that the relevant instrument was the control area of the user segment while it recorded and/or stored the CIN and password. Mr Gold and Mr Schiffreen had each made such an instrument when they keyed in the electronic impulses which constituted the CINs and passwords the Crown said.

"I am not saying computer backing should be legal but there The Crown argued that the rei-

Lord Brandon agreed, saying that "recorded" and "stored" con-

words, the Crown said.

Mr Gold and Mr Schiffreen contended that recording and storage were lasting and continuous processes and that the process relied on by the Crown involved designed to deal with hacking."

High TV advertising costs not due to production inefficiency'

THE HIGH COST of television sumer expenditure and the supartive in the UK is caused by high demand for airtime in a buoyant economy and is not the result of inefficiencies in commercial programme production, according to an economic study.

The interim findings of a study by National Economic Research Associates (Nera) on behalf of the Independent Television compa-

Associates (Nera) on behair of the Independent Television companies are in marked contrast to a study published earlier this week by Booz Allen & Hamilton which was sponsored by a group of large advertisers such as British Alrways and Procter and Gam-A 10 per cent increase in con-sumer expenditure. Nera believes, will lead in the longer run to a 12 per cent increase in television advertising spending. A 10 per cent increase in com-mercial home minutes – the

The Booz Allen study argued that British advertisers were havingt Hrifish advertisers were having to pay as much as £700m in
unnecessarily high advertising
costs compared with international competitors because the
market is working badly.

Nera argues instead that: "The
high cost of television advertising should on the whole be seen
as the result of decisions taken

as the result of decisions taken by advertisers, perceived to be in their self interest in a buoyant

major economic problems."

"Indeed because that audience will be fragmented between a out research for the Peacock committee on the future finance may even be more costly for may even be more costly for ing of British broadcasting, some advertisers to reach their believes that in the long term target audience," Nera suggests television advertising spending is in its study. determined by the level of con- Nera argues that the only pol-

hroadcaster.

The UK at present has two state channels, BRC1 and BRC2, and two commercial channels, Channel 4 and the 16 independent stations which comprise ITV and are franchised by regions.

How the battle of the consultant is appeared in the television.

tant's reports on the television advertising market is perceived by the Government could have number of minutes multiplied by the number of homes watching — will result in a 4.5 per cent increase in television advertising spending. an effect on imminent policy decisions — in particular on the issue of whether or not to give the go-ahead for establishment of

Booz Allen supported the call for a fifth television channel hased on advertising to reduce the cost of airtime, but Nera believes new channels will not cause any significant fall in price partly because the total The Nera findings also raise the question of whether or not the high cost of television adver-tising is responsible for pushing small brands to the margin.

Market concentration results from many factors. Nera argues, and itself could have contributed to rising the rising expenditure by advertisers as a small number amount of viewing will increase slowly at best. of producers in each market com-pete for their brands market

Nera's full report on television in its study.

Advertising is expected to be completed by early May. Pregnancy no basis for dismissing staff, say law lords

AN EMPLOYER is not entitled to Brown's pregnancy.

make use of a redundancy situation "to weed out his pregnant employees," the Law Lords ruled vectorian. esterday.

Lord Griffiths said that it was

Lord Griffiths said that it was no doubt inconvenient for an employer to have to arrange to keep a woman's job open for her while she was absent having a baby. That, however, was a price that had to be paid as part of the social and legal recognition of women's equal status in the workplace.

"If an employer dismisses a

workplace.

"If an employer dismisses a woman because she is pregnant, and he is not prepared to make the arrangements to cover her temporary absence from work, he is deemed to have dismissed her unfairly.

"I can see no reason why the same principle should not apply if, in a redundancy situation, an employer selects the pregnant woman as the victim of redundancy to avoid the inconvenience

dancy to avoid the inconvenience of covering her absence from work in the new employment he is able to offer others threatened with redundancy," said Lord He was giving the Law Lords' reasons for their decision in Feb-

Mrs Brown had been a supervisor on one of the council's Youth
Training Scheme projects. When
the projects were reorganised in
1985 four women were left wing
for three posts and Mrs Brown,
who was soon to take maternity
leave, was declared redundant.

ruary for upholding a claim by Mrs Maria Brown that she had been unfairly dismissed by Stock-ton-on-Tees borough council, Cleveland, in north east England.

Brown's pregnancy.

That decision was reversed by the Employment Appeal Tribunal (EAT), whose ruling was upheld by the Court of Appeal. The appeal judges held that the main reason for dismissal had been the need to make one supervisor redundant and that the council had been entitled to use pregnancy as a factor in its decision.

Lord Griffiths said that both Lord Griffiths said that both the EAT and the appeal court had been influenced by the juxtaposition in the 1978 Employment Protection (Consolidation) Act of section 59, dealing with dismissal on ground of redundancy, and section 60, dismissal on ground of

pregnancy.
The appeal court had said that, if selection for redundancy on the ground of pregnancy was auto-matically to be unfair, it would have been possible to have said

sections had reached the act from different contexts and by different routes. Section 59 derived ent routes. Section 59 derived from the 1971 Industrial Relations Act, which created the right not to be unfairly dismissed. Section 60 had its origin in the 1975 Employment Protection Act which extended the law to protect women's employment during pregnancy and after giving birth. It would, therefore, be unsafe to rely on the fact that section 59 did not specifically deal with the

leave, was declared redundant.

An industrial tribunal decided that that amounted to unfair dismissal on the grounds of Mrs connected with her pregnancy.



Free State Consolidated **Gold Mines Limited**

Incorporated in the Flepublic of South Africa lessed Capital: 116 179 121 shares of 50 cents each

Report of the directors for the quarter ended March 31 1988

The following are the results of the company and its wholly-owned operating subsidiary, Free State Consolidated Gold Mines (Operations) Limited. OPERATING PERIOTS

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DEVELOPMENT—continued ANGE OF FINANCIAL YEAR END test interes dividend of 120 cents is stare in respect of the linencest year ending bla fectored on April 21 1986, payette to members registered on May 5 1986 and will b June 10 1981

PITAL EXPENDITURE COMMITMENTS

NIMUM TAX ON COMPANIES (MTC)

GLO AMERICAN GROUP EMPLOYEE SHAREHOLDER

WELKOM GOLD HOLDINGS

LIMITED Registration No. 05/24464/06 and

ORANGE FREE STATE INVESTMENTS LIMITED Registration No. 85/05715/06

(Both of which are incorporated in the South Africa) The attention of shareholders of these directed to the above report.

London Offices: 40 Holborn Viaduct, EC1P 1AJ The Transvaal Group's quarterty results appear on another page in this newspaper.



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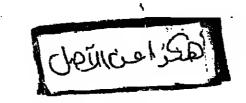
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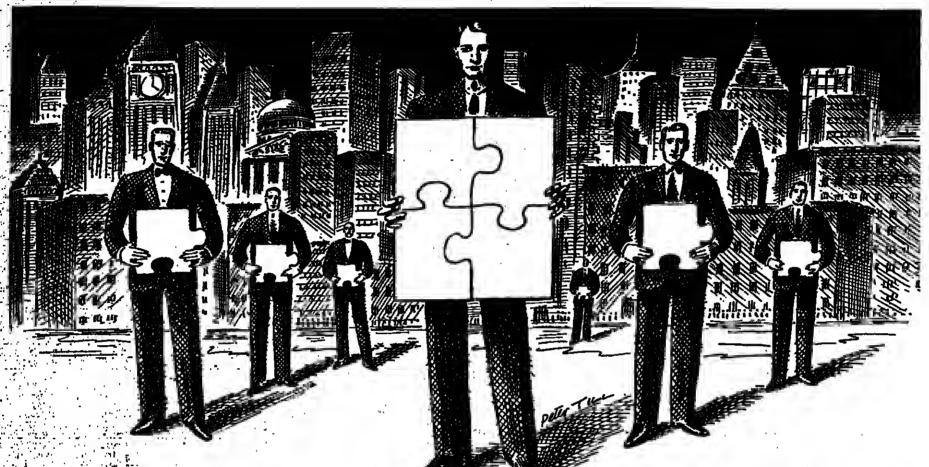
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HOW DID DATA LOGIC WIN THE BIGGEST DEALING ROOM SYSTEM CONTRACT IN THE WORLD?



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DATA LOGIC FINANCIAL SYSTEMS

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A Baylineen Company

BRITISH property developers feeling a little queasy about how the City of London property market might develop over the next two to five years might spare a thought for Chi-cago, basking in the fortune of last year's highest take-up of

space for a decade. The four main districts -West Loop, Central Loop, East Loop, and North Michigan Avenue - which make up the downstock of over 95m sq ft, according to the figures of Coldwell Banker, the real estate brokers.

For the purposes of comparison, that stock is nearly double that of the City's or roughly one third more than the West End's, but more than 11 per cent of it is vacant, as against the 2 per cent in central Lonion calculated by Jones Lang

Wootton, chartered surveyors. Still, the amount of available space in the City has been creeping up and, said Deben-ham Tewson and Chinnocks, chartered surveyors, is now at 1.9m sq ft, the highest since November 1985.

The speed of development in central London though is quicker than that of Chicago. Nearly 7m sq ft of space will be completed in London this year, more than in any year since the 1970s, according to Jones Lang Wootton. In Chicago, Coldwell Banker expects 6.7m so ft of space to be completed in the next three years.
Of the London completions,

kind of town

By Paul Cheeseright

already been taken up. Of the Chicago completions over the longer time span, 43 per cent has been pre-let. But while London developers

and property analysts are equivocal about the mediumequivocal about the medium-term prospects for space usage, Mr Scott Miller, a principal at the John Buck Company, a Chicago developer, which is the subject of the accompany-ing article, is unequivocal. "There is more office space in the market place than tenants available to fill that space." he available to fill that space," he

Arguably, this is not only a question of short-term trends related to ease of credit and the cyclical nature of the property market. There is a longer term factor. "There has been an increase in office demand over the last ten years because of the change to the service econ-omy. But probably this will slow down over the next 20 years. It will dampen demand," commented Michael Herzberg, vice-president of JMB Realty.

JMB, with headquarters in Chicago, has a property portfo-lio of \$16bn. It draws in institutional funds and private capital own behalf a developer. Its sheer size makes its view of investment trends a harbinger of what could happen in the

market place. The group has property in Chicago, notably the 74-storeys Water Tower Place on North Michigan Avenue and is developing a mixed-use project just opposite · offices, hotel, retail and residential. But Mr Herzberg at least is cautious about

pproach as a British investor he contended that "the best way to make money is to be as monopolistic as possible," and by that he meant investing a property which cannot be eas-ily reproduced in a location where there is not too much scope for endless new building.

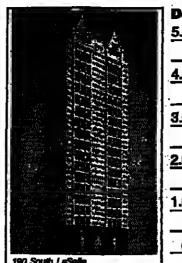
In the US, Beverly Hills fits those criteria - there is little land for development and the planning restrictions - the zon-ing restrictions, as the Ameri-cans say, are tight. So does Boston - land is difficult to obtain, and said Mr Herzberg, the zoning restrictions are the most difficult in the country.

"As a buyer you are better off in Beverly Hills than you are in Chicago," said Mr Herzberg. In Chicago land is relatively freely available and the zoning restrictions are light.
Once these particular factors are tied in to the longer term trend that the expansion of the general demand for offices has passed its peak, then a dispar-ity of aims between the developer and the ultimate investor is bound to appear.

Developers need land on which to build and a relatively free environment in which to do it. They need a ready avail-ability of funds to finance them. All of these have been present in Chicago. Therefore there is the threat of overbuilding, precisely the sort of situation an investor would seek to avoid.

This threat has been dis-guised to some extent by the recent heady level of demand for space. Jeffrey Barrett, Cold-well Banker's manager in Chi-cago, was surprised. "What I did not foresee, and frankly I do not think that anyone head, was 1987 being a record break-ing year of leasing resulting in only a one tenth of 1 per cent increase in the vacancy rate to the current level of 11.7 per

That vacancy rate is 4.5 percentage points under the national downtown average in



Downtown Chicago: office space absorption 5.0 million square feet

THE John Buck Company opened 190 South LaSalle Street (left) in the heart of Chicago's financial district at the beginning of last year. It is 73 per cent let. "Relative to the market, this project has done very well," said Mr Scott Miller, the senior vice-presi-

Construction of 35 West Wacker Drive (right), also in downtown Chicago, started in 1986, but the building will not be finished for another year. Unusually for Chicago, the building is 32 per cent pre-let, largely because John Buck came together with Leo Burnett, the advertising group, which was looking for a new hendquarters. A bid was put in for land owned by the City of Chicago and construction started

the US and it came about financial comfort this yeart for the property owners who will probably have an because the absorption of office space in Chicago reached a opportunity to jack up remis. But the market will ease up. "For developers," Mr Bar-rett calculated, "we see tremenhuge 4.8m sq ft last year, compared with an average this decade of more like 2.5m sq ft. Because the amount of new space coming on to the market this year is small, there will be dous competition for anchor tenants." Coldwell Banker has

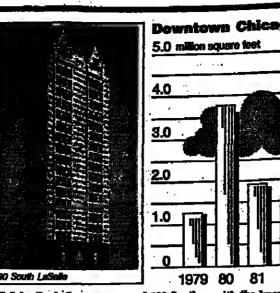
ft not building. Since then two law firms have contracted to take space.

With a bespoke building for the American Medical Association, 35 West Wacker is the focal point of John Buck's development activity in Chicago, the centre of its operations. The private company, formed in 1961 with seven partners, has a development programme worth \$600m. It has never sold an building outright. It builds to hold.

equity in 199 South LaSalle to Travelers Companies, the insurance and financial ser-vices institution and to Rissel Realty, a sub-

sifes being prepared for build-ings opening in late 1990 or 1991. This is like the City of London all over again.

But Chicago developers have different criteria from London



Japanese investment in Chicago is recent and small relative to the amount which has been poured into Los Angeles and New York.

Although John Buck will continue to develop in Chicago, it is diversifying. In Chicago it is in the early stages of preparing basis. At a minimum we would require 25 per cent of a building to be leased." This is not only because the market is precarious

> developers in Chicago at one stage would start a building on a totally speculative basis, this has changed. "If you can open the doors with a 25 per cent occupancy and fill the building in two years, that is seen as successful," said Mr Barrett.

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Company Notices



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Registration No. 05/28210/06

FIRST INTERIM DIVIDEND (NO. 66)

Amount (South African currency)	AA cents per share
Last day to register for dividend (and for changes of address or	1998
dividend instructions)	Thorsday, May 5
Registers closed from to (inclusive)	Friday, May 8 Saturday, May 21
Ex-dividend on Johannesburg and London stock exchanges	Monday, May 9
Currency conversion date for storing payments to shareholders paid from London	. Monday, May 9
Dividend warrants posted	Thursday, June 9
Payment date of dividend	Friday, June 10
Rate of non-resident shereholders' tex	15 per cent .
Holders of share warrante to bearer are refer Frider June 10 1988, upon prese and No. 5 on the side reflecting the she National Bank of Southern Africa Limit	ntation of coupon marked "South A re warrant number, at the offices of

Change of Mancau year eos.

It has been decided, for administrative reasons, to change the company's financial year end from September 30 to Mench 31. The next financial year of the company will be a period of eighteen months ending March 31 1989. A second interim dividend will be considered by the board on October 20 1988. By order of the board

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
pair. N.B. Strikon
Divisional Secretary

Head Office 44 Main Street Johannesburg 2001 (P.O. Box 81587 Marshelltown 2107) Consolidated Share Regit First Floor, Edura 40 Commissioner Street 2001 (P.O. Box 61051 Marshalltown 2107)

and Hill Samuel Registrars Limited 6 Greencost Place London SW1P 1PL Johannesburg April 22 1988

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FINAL DIVIDEND - NO. 19 On Thursday, April 21 1988, final dividend No. 19 in respect of the year ended March 31 1988 was declared psychie to holders of ordinary and Biordinary shares, as follows:

East Rand Gold and Uranium

Company Limited

Amount (South African currency) H cents per share Last day to register for dividend (and for charges of address or dividend instructions) Thursday, May 5

Ex-dividend on Johannesburg and London stock exchanges Currency conversion date for sterling payments to shareholder paid from London Thursday, June 9

Rate of non-resident shareholders' tex The full conditions relating to the dividend may be inspected at the Johannesbur and London offices of the company and its transfer secretaries.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretarie per: A.J.S. Sebb ropenies Secretar Transfer Secretaries Consolidated Share Registrars Limited First Floor, Edura 40 Commissioner Street Johannesburg

2001 (P.O. Box 81051 Marshal

April 22 1988

(P.O. Box 61587 Marshellown 2107)



Incorporated under the laws of the Kingdom of Belgium

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Monday, 9th May 1988 at 11 a.m., at the Registered Office of the Company, Machelecsteenweg 271, Antwerp, Belsinon.

BUSINESS

1. To receive the Reports of the Board of Directors and of the "College des Commissaires".
2. To approve the Balance Sheet, Profit and Loss Account and the appropriation of Profits, for the year ended 31st December 1987.
3. To give discharge to the Directors and "Commissaires".
4. To elect Directors.
5. To clect a ""Commissaire" and to determine his remuneration.

ROLL.

Roldors of share warrants entitled and wishing to attend or be represented at the meeting should deposit, by 9th May 1988, either their share warrants to beauer or a certificate of their holding issued by their Bankers, at Banque Beige Limited, 4, Bishorsgate, London ECZN 4A83-1 Thereupon an admission card will be issued.

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· Hollow To the building of MINISTERNAL HARMS OF ASSE

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On 11 April 1988 the Secretary of State for Trade and becamy referred to the Monopoles and Margara Commission for investigation and report particle quantions relating to the efficiency

store closely to demand, the level and structure of large therpad for pro-drollel rall services and the Bound's response to competition from bus and couch services. A copy of the full

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1965 IN THE MATTER OF:

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creditors of the above-served company will be receiverful: heatonal Westminuter Benit PLC Roger William Cork (Olice Noticer Not 1959) and Christopher John Hugines (Ottoe Holder Not 2541)/John Adjehishtrative Researchers Both of Cork Cally, Shelly Hosse, 3 Noble Street, Lendon SCRY 7DQ

for the purpose of having laid before it a copy of the report prepared by the admin er(s) under section 48 of the said Act and, I thought fit, appointing a committee.

Creditors are only suttind to vote it: (s) they have delivered to us at the addr shown below, no later their 1200 hours on 40 May 1965, written details of the debts they cisions have been duty admithe provisions of Rain & 11 of the Innatused Pictor 1988; and

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chandry Division) detect 28th March 1986 contraining the raduation of the Starre Primitism Account of the above-based (b) Evera was been lodged with up any prowhich the creditor intends to be used on his behalf. Dated 15 April 1966

any by the sure of 12,132,371 was region by the Registrar of Companies on the 30s M A Jordan & R M Addy Device Aracki & Cooper of 12 Bridgest Pince London Cork Gully

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Price Waterhouse



A FEW months ago Dr Hans Gissel, the research and technology director of AEG, remonstrate with his counterpart at Daimler Benz that "you must stop coming up with new synergy ideas - we can't cope with any more. You're

clogging up the works." The Daimler board member in question, Dr Rudolf Hörnig, recounts the episode with a smile as he rebuts outside criticism that too little is being done, too slowly, to create the technological "synergy" which was her-alded as one of the main pur-poses of Daimler's 1985 diversification into electronics (through the partial takeover of AEG), aerospace (via Dornier) and non-automotive engines (Motoren & Turbinen Union).

Edzard Reuter, Daimler's chairman, has warned repeatedly that the "synergy" work of this new industrial giant will take a long

time to produce concrete results (see this page April 18).
Yet there has been considerable sniping in West Germany about the fact thet virtually the only visible result so far has been a decision to turn a new AEG research centre in Ulm, southast of Daimler's home town of Stuttgart, into a group-wide facil-

The truth is that Daimler's typically German reluctance to bare its inner workings to the press has masked a veritable beehive of activity. Since early 1986 a welter activity, since early above a weath of synergy committees, joint working groups, project teams and steering groups has been bursting out all over the enlarged

So much so that AEG's Gissel readily confirms his previously private complaint, and elabo-rates. Leaning across the table in his Frankfurt office, he says: "It has not been helpful to start so many projects at the same time. In order to create an internal "demonstration effect" for engi-"demonstration effect" for engineers and managers throughout the group, as well as a commercial impact outside, he says it stress that the group now would be better "to run a few includes several activities with projects very fast — we must faster growth rates than Daimiers to channel our resources."

At least to the outside eye, projects very fast — we much learn to channel our resources." ler's famous Mercedes carblearn to channel our resources." At least to the outside eye, such tensions seem relatively such tensions seem relatively

experience of acquisitions than as horizing with unusual opendigesting them is never easy, nees, so executives from the variespecially when one of their goals is the creation of synergy spar with the utmost politeness between the parent and its new subsidiaries. The friendly sparring between Hörnig and Gissel ple really do have much to learn the productive of the invertible term. is indicative of the inevitable ten-sions which lie just below the surface of Daimler and its new "partners", as its executives "partners", as its executives sen as "spokesmen" (primus inter insist on calling AEG, Dornier pares) for all the technology proj-

and MTU.
Gissel is equally outspoken

Daimler-Benz

Sparring with utter politeness

Christopher Lorenz examines tensions beneath the surface of West Germany's largest industrial group as it tries to create synergies with its new subsidiaries

DAIMLER-BENZ'S "Traffonic" research programme into new transport, communi-cation and control techniques is broken into 16 sub-projects, with the division of labour between Daimler, AEG, Dornier and MTU agreed in fine detail for each.

Significantly, the calculations take account of an estimated reduction of 30 account of an estimated reduction of 30 per cent in total man-hours from what would have been required if the partners had been collaborating as independent companies, with overlapping efforts on various parts of the programme.

The estimated cost, of several hundred million Deutsche Marks, is shared according to a complex formula, with the majority being provided from group resources, rather than from individual companies.

Otherwise everyone would have an end-

"Otherwise everyone would have an end-less discussion," says Dr Eudolf Hoernig, Daimler's research and technology direc-

Management of the project is in the hands of a seven-person project team

drawn from all of the companies (three from Daimler, two from Dornier, and one each from AEG and MTU); its spo is one of the Dahnler representatives. In addition to being steered by a committee of senior executives, its progress is vetted at intervals by the board-level "structure and synergy committee" (see main arti-

Roughly the same pattern has been fol-lowed for the five other technology "syn-ergy projects" which are already under

way.

One of the biggest of these is a programme to develop the group's strengths in a number of links in the "energy chain" (generation from various sources, storage, and use on road, rail, water and in the air). This brings together, for instance, Daimler's expertise in hydro-gen-powered vehicles, AEG's in power station and solar cell technology, MTU's in industrial motors and gas turbines, and Dornier's in naclear-powered high-temperature fuel cells and electrolysis systems for converting fuel directly into electricity.

The other current synergy projects cover electric traction; materials; medical technology; and "microperipherals" for in-car data processing (such as monitors and electronic actuators).

Together with their respective sub-pro jects, most of these cover a period of five to 10 years, though one Daimler-Dornler programme for the development of sutel-lite communications between motor vehicles and stationary transmitter-re-

vehicles and stationary transmitter-re-ceivers has only a three-year span.
Several more projects are in prepara-tion, covering such areas as materials sur-facing technologies and plastics, as well as automated production technology; here the group has especially high hopes for synergy between AEG's software, hard-ware and controls, Dornier's robots and unmanued vehicles, and Daimler's brown how as a mater near know-how as a major user.



devices, instead of moving faster to rationalise activities between the four companies by designating "centres of excellence".

senior and middle managers (though not its board) with cars. As Gissel puts it, AEG was acquired to help create a broad industrial group, "not. . to build better cars. Most of the Daimler-

As companies with much more amicable — so far, at least. Just experience of acquisitions than as Hörnig and Gissel discuss from Dornier's expertise in aero-space, and why it is only Daimler people who have so far been cho-

ect groups.
But beneath this gentlemanly

There is also evidence of incapa-ent resentment among Daimler's "partners" at its lack of experi-ence in managing diverse organi-sations, and the still overwhelm-sations, and the still overwhelm-sations of many of its is the critical chillenge of creat-ting processing the common corporate ing a really common corporate culture, something which Edzard Reuter and everyone else recog-nises will be vital to the success of the whole enterprise.

> Hörnig says "there was no demonstration of superiority on the part of the parent"

. It was Rudolf Hörnig who initiated the first phase of collabora-tion between the four companies after Daimler's 1985 takeovers. Because of painful wrangling about changes in Daimler's board structure, it was not until the summer of 1986 that a formal

considerable progress on the technology front. His approach to

been easy compared with the dif-ficult digestion decisions which have yet to be made.

Daimler's Hörnig admits that "the major problems have yet to come" in the division of technical and menagerial regroupsibilities.

The will be decisions takeovers carried out by McKinsey & Co, the management consultancy, which outlined some of the rea-ours for the remarkably high fail-ure rate of acquisitions.

ure rate of acquisitions.

In all his dealings with the new subsidiaries, Hörnig says "there was no demonstration of superiority on the part of the parent". The notion of "partnership" is real, not a fiction, he insists. The McKinsey study also taught him to avoid the extremes of central-ised or decentralised research.

Early in 1986 Hörnig had started regular meetings, every four to six weeks, with his four fellow technical directors (Dornier has two of them, the other ompanies one apiece). To start real cross-fertilisation

in earnest, Hörnig and his col-leagues began to define a number of collaborative "synergy pro-jects" in which each company could play a part. All these have since had to be cleared by the structure and synergy committee (of which Hörnig's grouping is now a sub-committee), as well as hoard-level mechanism was by the board itself; the latter established to determine and co-ordinate the strategy and struc-as part of a broad new group ture of the various parts of the research and technology pro-

enlarged group.

By the time this "structure and synergy" committee began its obvious: a very large, eight-year programme called "Traffonic", for the introduction of electronics. for the introduction of electronics about Daimler's tendency to crevener all sides admit that the ate too many steering commitgetting-to-know-you" period of the tricky process of post-acquisition management was influenced communication and control ing groups of various sorts is also

systems — what Hörnig calls involved on shorter-term develop-the intelligent car on the intelli-ment projects within Daimler's

gent road."

The project had already been initiated by Daimler-Benz on its own to develop, augment and commercialise some of the joint research being conducted by the European motor industry under a collaborative project called "Pro-

The inclusion of the new Daimler subsidiaries has not speeded up the programme, Hörnig explains, it was already on a fast track. But it has enabled Daimler to do much more on its own than would otherwise have been possi-ble, and to give much less of its know-how away to outside sup-pliers. The ability to keep vital know-how secret a little longer can produce a major commercia

In addition to Traffonic, almost a dozen other large-scale projects are either up and running or in preparation under the auspices of the group's research and technol-

ogy directors (see inset).

Though Hörnig expects much
eventually – from their combination of vertical and horizontal integration, he denies that the enlarged Daimler group is trying to master every relevant technology itself. In materials, for instance, he says "we still want to collaborate with others".

Separately from the projects directly under Hörnig, a sizeable

car and commercial vehicle divi-

Here, the official principle is that AEG, Dornier and MTU that AEG, Dornier and MTU
should be given some preference,
mainly by receiving early warning of Daimler's plana. But it is
difficult to operate in practice,
since communications with
established suppliers are so good.
It was Daimler's position as a
large and vital customer, rather
than as a majority shareholder,

A sizeable number of cross-country working groups is involved in shorter-term projects

which took pride of place in the thinking of most AEC managers and engineers following the 1985 takeover, Gissel suggests. To some extent it still does. Yet

he foresees little difficulty, at least from AEG's side, in the very necessary process of ironing-out cross-company overlaps by transferring activities from one to the other. "If another member of the group can do something more effectively, then that's rational -

places," is a guiding principle for and where, inside their sprawling Gissel.

Yet he clearly detects reluctence within parts of Daimler to bite this bullet, and even a ten-dency to replicate existing exper-Where expertise already exists Jörg Seizer, a director who organises the work of the board's can its partners instead of creat-

ing new co-ordinating bodies above them, he suggests. He understands Stuttgart's tendency to create bureaucracy in order to learn about the new industries and technologies in which it finds itself, but he feels that "steering committees, with board members on them, are only necessary if things don't work. Where additional capabilities

Where additional capabilities need to be developed for new programmes, as in some of the technology "synergy projects", coordination from Stuttgart is of course needed, says Gissel. But elsewhere he wants the "centre of excellence" concept introduced, with a single centre leading the work of satellite units elsewhere in the group.

This principle has been accepted, he says, but it has yet to be put into practice.

Despite the frustrations it may ABG needs to concentrate any-way," he says.

Cause Gissel and others in the discover a new recipe for the way," he says. way," he says.

Such transfers have occurred bly only become acute over the with increasing frequency within next 18 months or so, as Daimler AEG in recent years, as it has reinforced its divisional structure. "Don't do things in two aspects of who should do what, April 25.

than they expected. "We have dency to replicate existing exper-tise by re-creating it in Stuttgart. are only limited conflicts," says

> But he admits that the committee has yet to approve the strate-gies of several of the group's key operations. Deciding their structures will be thornier still, even if Damler succeeds in its current bid to buy out the minority shareholders in AEG.
>
> It is on these issues that Daim-

-

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臺:

ler's ability to manage its contro-versial diversification will be given its first real test. But even if it can resolve them without bloodshed, it will still find it hard over the longer term to create and sustain synergies across such a broad spectrum of tech-nologies, industries and markets. Daimler is not trying to do everything in-house, as Rudolf Hornig stresses. But this virtual novice at diversification has certainly bitten off quite a mouthful. It will be too much for Daimler to digest unless the chairman can

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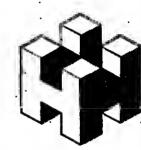
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PROGRESS CONTINUES

GROSS PROFIT	YEAR ENDED 30.1.88 5000 10002	YEAR ENDED 3L1.87 5000 8676	+15
PROFIT BEFORE TAX	•		
AND MINORITIES	7164	6667	+7.
EARNINGS PER SHARE	22.1p	20.2p	+9,
Note:- Adjusted for 5 for 1 share spli	in May 1987		
ORDINARY DIVIDENDS			
PER SHARE			
-Interim	0.4p		
-Proposed final	3.0p	0.4p	
Total	3.4p	0.4p	

"Property remains buoyant particularly within the industrial sector, the principal focus for our recent expansion . . . we remain confident that your company will continue to trade satisfactorily in 1988/89"

John Southwell, Chairman 21st April 1988



Helical Bar plc

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APPOINTMENTS

CONTRACTS

Chairman of Chartered Trust

ciation. He becomes a deputy managing director of Co-Cam chairman of Chartered, whose managing director is to be Mr Anthony Webb, at present deputy managing director.

HOWDEN GROUP has appointed Mr Seamus Lyons as director and general manager of Howden Air-control, and Mr Barry Peat as director and general manager of

Sir Ian Morrow, a director of Hambros, the Land Group and Psion, has been appointed chair-man of GISBURNE PARK, a private hospital near Clitheroe.

Mr Isin Alian Cooper Wright has been elected president of THE SOCIETY OF ENGINEERS for

Dr Christopher Gill becomes director of the TIMBER RESEARCH AND DEVELOPMENT ASSOCIATION in July on the retirement of Mr John Sunley. Dr Gill was deputy director, research and development.

Sir Colin Marshall, chief executive of British Airways, and Mr David Tagg, chief executive of Grand Met's group services, will join the main board of GRAND METROPOLITAN on May 1. Sir Colin will be a non-executive director.

MR JOHN HOULISTON

Following completion of its of acquisition of Ross Young's He was managing director of Ross I young's. He was managing director of the restil division. Mr Houliston as managing director of the restil division. Mr Houliston will be a member of the working party formed by United in Riscuits to oversea the integration of Ross Young's with the UB frozen Foods operation.

Mr John R. Stanton has been appointed to the board of WATES SPECIAL WORKS. He was chief of surveyor.

Colin will be a non-executive director.

Mr David Brooks, a director of S.G. WARBURG. GROUP, and deputy chairman of Warburg Following completion of the Securities, has been appointed to the board of the Securities, has been appointed president of S.G. Warburg (U.S.A.). He will move to New Scicon Corporation to form SD-Groups also director, Mr Bill Dupont as managing director of S.G. Warburg & Co.Inc., has been appointed to the board Mr Warburg & Co.Inc., has been appointed to the board Mr Warburg & Co.Inc., has been appointed to the board Mr Warburg & Co.Inc., has been appointed to the board Mr Stan Kenyon as operating officer to operating officer to the board Mr Mr Christopher Tendell and Mr Andre Rouet. Mr Holmes has been appointed a non-executive director. He was a director and chief executive of Mr Stan Kenyon as operating officer to operating officer to the board of WaTES C. Webb becomes managing director of Hadley Camnon's specialist life and pensions company.

X

**Connon Consultants. Mr Maurice C. Webb becomes managing director of Hadley Camnon's specialist life and pensions company.

X

**INDION SCOTTISH BANK has appointed Mr Bill Dupont as groups also director, Mr Brian tendell and Mr Andre Rouet. Mr Warburg (U.S.A.) Inc., and will continue as chairman of the director of Hewlett Packard.

**W Jim Chester has been appointed to the board of WATES C. Webb becomes managing director of Hadley Camnon's specialist life and pensions company.

**Connon Consultants. Mr Maurice C. Webb becomes managing director of Hadley Camnon's specialist life and pensions company.

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**Connon Consultants. Mr Maurice C. Webb becomes managing director of

Mr Ian Paterson, a senior general manager at Standard Chartered Bank, is to become non-executive chairman of CHARTERED MENT CAPITAL. He was an TRUST on April 28 following the retirement of Sir Idwal Pagh, insuson (Edinburgh), an invest writes Tany Moreton, Welsh Correspondent.

Chartered Trust, the Cardiff-based financial services company that is a fully-owned subsidiary of Standard Chartered, employs nearly 1,000 people in Wales, some three quarters of them in the Welsh capital.

Mr John Hodell, executive G. Starmey, become partners on managing director of Chartered the same ciation. He becomes a deputy managing director of Co-Cam Group.

Mr John Ecomes a deputy managing director of Co-Cam Group.

MR JOHN HOULISTON

Following the acquisition of Hadley Cannon (holdings) by DUKE INSURANCE HOLDINGS, Mr Denis B. Bailey has been appointed chairman of the marine division of Hadley Cannon (International); Mr Andrew P. Harding, managing director designate; Mr Stmon J. Lasher, deputy managing director; and Mr Grahum Hambly, a director designate. Mr Nick Shingles has become managing director of the UK commercial division, and Mr Niall J. Byrne a director of the diplomate division. Mr Ken E. Noble has been appointed managing director of Hadley Cannon (Claims Agency), and Mr Peter J. Siddle becomes a director. Mr Stanley Rose has been appointed a director designate of Hadley Cannon Consultants. Mr Maurice C. Webb becomes managing director of Hadley Cannon's specialist life and pensions company.

Mr John King has been appointed regional general manipolated chief executive of the ager, UK, with NATIONAL for the sales force, has been appointed chief executive of the ager, UK, with NATIONAL for the sales force, has been appointed to the boards of SAVE ETY. He was general manager timal banking division. Previous first the sales force, has been appointed to the boards of SAVE (operations).

**Mr Jim Chester has been appointed regional general manipolite acting hospital and university facilities will follow.

**The Foundations are working in collaboration with officials at the Shanghal Municipal Health (operations).

**A project management contract has also been received for the sales force, has been appointed to the boards of SAVE.

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**A project management contract has also been received for the sales force, has been appointed to the boards o

Tilbury wins £30m work

and Carrick District Councils respectively, and over £2m of other public building projects including one project valued at £1.5m for the Properties Services

Agency.
Of the civil engineering awards Mr Peter Thomas has been appointed manufacturing director of W.J. GOODWIN AND SON, a subsidiary of Yale Security Products, part of the Valor group.

CANTOR FITZGERALD (U.K.) has appointed Mr Alex Gelleri as director. US Government division, Hr Ashley Power as director, US Government division, Hr Ashley Power as director, Eurobonds division; and Mr John Khidy, as director and chief financial officer.

Southern and Bristol Authorities and include reservoir projects totalling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Colling £2.2m at Oldmixon, Goodshill, Pill Welneltham, Rambartetham, Weather the Pill of the Pill Welneltham, Rambartetham, Weathe

The TILBURY GROUP has been electrical work in the main awarded over £30m contracts during the last two months.

Since the turn of the year Tilbury Construction has been awarded £18m worth of contracts. Building projects account for over £7m and include £2m for 24 industrial units at Upminster for Bartlett Land Co and Laidlaw in the private sector, two housing contracts totalling £2.6m for Hart and Carrick District Councils awarded over 230m contracts dur- entrance concourse. Another con-

Westpile has been awarded contracts worth 56m. They include two contracts for Shell UK at Stanlow, valued at £1.9m, for CFA piling, a Shell piling con-tract for £1.3m, for the piling of embankment support rafts and Of the civil engineering awaits
\$5.7m relate to water works for retaining walls on the A55 at
Wessex, Thames, Anglian,
Southern and Bristol Anthorities took a 245m contract on an eartook a

has awarded an anchored sheet piled wall at Durands Wharf, worth over £500,0000, including contractor's design. The London Dockland Development Corporation has ordered a major refurtion has ordered a modules to be delivered to various othe UK. A contract was also awarded for a £2.5m kydrocracker rehabilitation scheme for awarded by Ritials Sugar for the public sector and inclinded in the public sector and inclinded in

Far East construction orders

Cebu, Negros and Mindanao. URSI will review detailed

designs prepared by Philipppine consultants and provide engi-neering supervision from the

URS INTERNATIONAL INC has won a US \$2.25m (£1.35m) five-year contract for construction supervision consulting services to the Department of Public Works and Highways of the Philippines.

The contract is for services for the Fourth Road Improvement Project, which is being funded by the Asian Development Bank. The scheme involves improving 715 km of roads on the islands of Cebu, Negros and Mindanao.

ty is to modernise and upgrade facilities to order to commence new academic programmes and expand existing programmes as soon as possible. Construction of a major teaching hospital and university facilities will follow.



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US shoppers take control of the checkout

Clive Cookson reports on a system that gives a new meaning to self-service in the supermarket

How CheckRobot costs what is in the trolley

European chains, including Sainsbury and Tesco in the UK, have studied the CheckRobot sys-

Kroger is the largest US super-market chain and if it decides to introduce self-checkouts in some of its other stores, competitors are almost certain to follow suit. Paul Bernish, a spokesman at ters, says the company will prob-ably decide this summer whether or not to buy more CheckRobot

systems. Any expansion of self-scanning is likely to be gradual, one or two supermarkets at a time, Bernish says. "Our industry is conserva-tive and evolutionary in the area of store operations. We're not interested in forcing things on

For competitive reasons Kroger does not want to disclose the full results of its Atlanta trials, but Bernish says customer reaction has been mixed. Surveys show that about 25 per cent of the shoppers positively prefer to scan their own purchases. They feel

THE MOST important parts of the CheckRobot system are the laser scanner, the touch-sensi-tive video monitor, and the security zone designed to

detect cheating.

The ahopper starts by touching the video screen. A computer graphics program on the

SUPERMARKETS in the US are testing a new do-it-yourself cashier does the work and more close to the ultimate in self-service shopping: the customer passes his or her own trolley load of groceries over a laser scanner which produces a computerised bill.

The produces a computerised by the customer the shorter has to go the process of passibility and with produces a computerised by the control of the used. Supermarkets normally interest include Tesco of the UK thirds the number of cashiers and reduces by two-thirds the number of cashiers and reduces by two-thirds the number of cashiers and reduces by two-thirds the number of cashiers and which it was working. Barbato points out that in when a close that they can always be used. Supermarkets normally interest include Tesco of the UK thirds the number of cashiers and reduces by two-thirds the number of cashiers

damaged. When that happens the shopper can summon assis-tance by touching the Help spot on the screen.

As the customer scans an

baggers, and supermarkets generable employee absenteeism and turn-over."

oe cost-effectiva in a British supermarket for some considerable time.

Grindle believes CheckRobot may be more some considerable to the considerable time.

which produces a computerised bill.

At present the shopper has to take the bill to a cashier for payment but the system could be adapted in future to incorporate automatic payment with an electronic card. It would then be possible to buy all one's groceries without any human contact.

Self-checkout machines made by CheckRobot, based in Florida, have been operating successfully for 18 months in two Kroger are arousing growing interest in the international retailing indusery and in the past few months senior executives from several European chains, including

looking for more personal service now," he says. "They will not be prepared to see another level of service disappear unless it gives them an enormous price advan-Jackson and some other analysts believe the next significant advance in checkout technology will be a system that scans the groceries while they are still in the supermarket trolley — and

self-scanning is irrelevant to the future development of the super-market industry. "People are

therefore removes the present chore of unloading everything for scanning and then packing it all up again.

No company has said that it is close to testing a whole-trolley scanner and it is not clear how such a system could work without being prohibitively expen-

One possibility, which might be developed from current shop security systems, is that the tro-ley would be pushed through an electromagnetic field (perhaps inside a tunnel). This would generate radio signals from an inexpensive tag attached to each item, which would transmit its individual product code to the checkout computer.

Edited by Geoffrey Charlish

Raychem makes easy co-axial connections

CO-AXIAL CABLES that are shielded by an outer layer of braiding pose the problem that this must be neatly and effec-tively connected to the outer rical member of the plus cylindrical member of the ping to which the cable has to be

assembled.
A quick, easy and electrically sound connection method using "shape memory metal" has been devised by Raychem, the US-based materials and

the US-based materials and components company.
Shape memory metals have a special characteristic. If they are mechanically deformed while below a specific temperature, they will, when warmed, return to the shape they had before deformation.

A ring of such material, held below the critical temperature and forced to a larger diameter, can be sized just to slide over a rod, for example. When heated, it will grip the rod. But then when it cools, it does not return to the larger diameter but "remembers" its original manufactured diameter.

Eaychem can supply such may be more appropriate for the relatively relaxed and spacious aimosphere of a typical US supermarket than for a UK supermarket where the pace is faster and the sales density much higher. But Don Jackson, a retail industry consultant with ICL, the leading UK computer company, thinks that the whole idea of

Raychem can supply such rings, made to appropriate sizes from a nickel-titanium alloy called Tinel. The installation sequence simply involves sliding the Tinel lock ring over the assembled braiding and heating it to 150 deg C. It then forms a permanent connection between the co-exial cable and

VW-Audi switchboard takes direct action

TELEPHONE OPERATORS OF a company's exchange can deal more quickly with incoming calls by using a screen and keyboard system from UK company Callscan. The first of these systems has been installed at the Milton Keynes headquarters of Volkswagen-

numbers by looking up names in printed directories, the operator uses an automatic telephone directory based on a central processor and one or more screen and keyboard terminals field that the first first transition. minals. Only the first two ini-tials of a surname need be keyed in to obtain a display of the relevant section of the directory.

The system will also display other data that callers often ask for, like the numbers of company branches, conference rooms and medical depart-

ments.
Volkswagen Audi also plans
to use the system as a visitors'
book, recording names and
other details, and logging visitors in and out of the building.
The basic price of the system
is \$5.000.

Sandia develops nose for gas detection

ONE OR more members of specific groups of gases can be detected by an "artificial nose" that is under development at the Sandia National Laborato-ries in the US.

The device, no bigger than the average size of an eraser, consists of six semiconductor components (diodes) etched into a silicon wafer by normal fabrication techniques (makinfrication techniques (maxing for low cost in volume production). Each diode has a very tim covering of a catalytic metal (palladium, gold, gilver, for example), which in the presence of a specific gas causes the dode to pass an electrical example. electrical current.

electrical current.

By monitoring the current in the diodes and measuring the smount and timing of any changes, it is possible to determine when particular gases came into the environment and in what relative quanti-

Sandia engineers believe variations of the sensor, which at the moment works with gases based on hydrogen, will interest the petrochemical industry. Such sensors could, for example, he used to detect

Charterhouse seconds British inventiveness

Royal Bank of Scotland group in the UK, has launched Char-Fund. It aims to raise 240m for investment in technology-based unquoted companies in

the UK. the UK.

The fund will be particularly interested in investing in health care, biosciences, environmental management, new materials applications, instrumentation and control, and hardware and software for information technology.

CONTACTS: Raychem: UK plant, 9782 28171. Calbean: IIK, 621 433, 4161. Sandia National Laboratories: US, (505) 844 6065. Churter-laouse: London, 409 3232.

As the customer scans an item the system calls up its price and identifying information from the supermarket computer. This is displayed on the video screen with a running total of the transaction so far. At the same time an itemscreen then guides him through the process step by step. It tells him first to locate the bar code on each item and move this over the scanning window, just as the cashier has just been scanned. If the sensors show that the item has not been scanned, the beit changes direction and brings it back to the shopper, has just been sen synthesiser which calls out the price as each item is scanned, does in a conventional super-market equipped with checkwho can try again or call for though a shopper who is irri-tated by the computer voice The scanner's low-power checkRobot says the syst The scanner's low-power laser beam is designed to "read" the bar code regardless of the angle and direction at which goods are moved across the window. But on an estimated 3 per cent of items the code cannot be read, because the label is bedly printed or can cancel it by touching a button. The voice can be pro-grammed to speak in English will detect any attempt to deceive it by scanning a cheep or a second language (Spanish

is likely to be a popular choice in parts of the US with large numbers of Latin American

puts each item on a conveyor belt which takes it through the CheckRobot security zone — the system's most innovative metal archways containing sensors which measure its approximate size, shape and weight. The computer then compares these dimensions with those of the product that

enecation of casins that the aystem is then 40 per cent fas-tier than scanning in conven-tional lames, because the checkout staff are concentrat-ing on scanning and leaving the cashiers to handle payroduct and putting something nore expensive on the belt. After travelling through the security zone the shopping ends up at a "lagging station"

where the customer or a store employee packs it into bags. (The Kroger stores make sure this is done by their staff, became hagging is tradition-ally part of the service in a US supermarket — and it helps to deter potential shoplifters.) Finally the shopper takes the printed sales slip for pay-ment to a central cashier. A

typical supermarket will require one cashier for every three self-scanning-lanes. During peak periods the self-scanning lanes can be operated by supermarket staff. CheckRobot claims that the

The Financial Times proposes to publish this survey on:

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TUESDAY 14TH JUNE 1988

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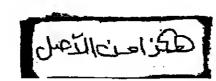
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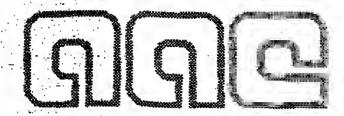
> Kenneth Swan on 031-220-1199

or write to him at:

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FINANCIAL TIMES





Transvaal

Gold mining companies administered by Anglo American Corporation All companies are Incorporated in the Republic of South Africa

Reports of the directors for the quarter ended March 31 1988

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22nd April, 1988

Arts Week

F | S | Su | M | Tu | W | Tb 22 | 22 | 24 | 25 | 26 | 27 | 28

Opera and Ballet LONDON

Reyal Opera (Covent Garden). Peter Hall returns to Covent Garden as producer of the eagerly awaited new Salome, conducted by Christoph wan Dohnsmyi, with Maria Ewing in the title role, Robert Hale, Robert Tear, and Helga Dernesch. The revival of the ancient, threadhene Zeffirelli production of Lucia di Lammermoor serves for the first London showings in the title role of Edits Gruberova. John Pritchard conducts, and the cast also includes Luis Lima, Wolfgang Brendel, and Giorgio Surism. (240 1069)
English National Opera (Colineum). Nicholas Hytner's new production of The Magic Fints is conducted by Ivan Fischer, and has Thomas

Ivan Fischer, and has Thon Randle, Helen Field, John Ray sancie, Helen Field, John Rawn-sley, and Gwynne Howell in the principal roles. The other Mozart

Theatre

LONDON

he Common Pursuit (Phoenix Thea-tre). Second London chance for flawed Simon Gray comedy about Cambridge graduates in love and publishing. Author directs good hen Fry. (886 2294, CC 240 3661) asy virtue (Garrick Theatre). Transfer of King's Head revival of early Noel Coward, same period but leaser whitage than Hay Fever, but worth

vintage than Hay Fever, but worth seeing (379 6107) doody Poetry (Royal Court Theatre). Howard Brenton season inaugurated with this fine play about Byron and Shelley, a flerce meditation on the unlowed artist in exile. Sign Thomas a notable Mary Shelley. Max Stafford-Clark directs. (730

Touch of the Poet (Comedy Thea-tre). Vancesa Redgrave and Timothy Dalton in prolix but fascinating O'Neill play set in the aftermath of

opera in repertory is Coal fan inite, with Felicity Lott and Della Jones as the sisters and Muldwyn Davies and Russell Smythe as their loves. Janàčak's Makropulos Case sees Josephine Barstow returning to one of her most celebrated roles as the

3161)
Royal Opera House (Covent Garden).
Royal Ballet in Swan Lake
Northern Ballet Theatre (Sadler's
Weils). A London season starts with
a triple bill containing its L.S.
Lowry ballet, A Simple Man.
Strictly for Lowry devotees.

State Opera and Ballet (Stantsoper).
Conducted by Casper Richter. Janaček, Hayen and Berg, La Travista;
Werther conducted by Gofngal, with
Alfredo Kraus, Hans Hehn, Peter
Wimberger (51444, ext. 2559 or 2360.)
Volksoper. Die Lustige Witwe; Der
Operabali by Heuberger, (51444, ext.

TOKYO Sadlers Wells Royal Ballet (Tokyo Bunka Kalkan), Swan Lake, (Thur).

NEW YORK ne Ballet Theatre (Lincoln

spouse. A collector's item. (939 2578, CC 839 1438).

South Pacific (Prince of Wales Theatre). Average, traditional revival of the great Rodgers and Hammerstein musical, Gemma Craven failing in west the baritonal Emile Belcourt out of her hair.

Shirley Valentine (Vandeville Theatre). Pauline Collins in fine and funny monodrama by Willy Russell of liberation for a Liverpool housewife on Corfu. Shades of Ibern's Nora and Beckett's Winnie, with jokes. (836 9907, CC 379 4444). Ends April 30. tre). Barry Hu the outstandi

in a doomed theatre. (379 5399).

scious Money (Wyndham's Theatre).

Transfer from Royal Court of Caryl
Churchill's alick City of London comedy for champagne swilling yup-pies; how the Big Bang led in class tunnit and harrow-boy dealings on Baymonds choreographed by Mik-hail Barysimikov after Pepitsi. (362 6000). Ends June 11.

Fallippe Deconfie (Theatre de la Ville), infinenced by primitive and folklore dancing, is followed by Car-olyn Carison in an expressionist ba-let for nine dancers to the numbe of Joakim Kuehn at the (42 74 22 77) Saucicio Kagal (TMP-Chatelet). Re eriory from the 1970 scenic conce in his own music. (42 38 44 44).

Champa Elysées) The end of the dynamic Daniel Mesguich produc-tion of Der Ring des Nibelungen conducted by Burislav Klobucer. (67 20 36 37).

20 36 37).

In Carjunation (Opera Comique), Ballet written by the poet Rene Charand Charcographed by Wiffride Piolet and Jean Guiseriz. (47 42 57 50). antemporary Dance Theatre and Centre Georges Pompidou are show-ing La Compagnie Contre-Jour fol-lowed by Lamen Cle at Besubourg (42 77 12 23).

WEST GERMANY

erlin, Deutsche Oper, Arisane and Naxos has fine interpretations by Ute Walter, Anna Tomowa-Sintow, James King and Barry-McDamiel.

Der Rosenkavaller stars Annie
Tomowa-Sintow, Uta Walter, Helmut Berger-Tuna and Tomislav Nersile. Manon Lescant has a strong
cast led by Pilar Lorengar, George.
Fortune and Giorgio Meright. Fidetion Jean Pisurz-Pomnelle's production features Lisbeth Balaley.
Barbara Vogel, Gerd Faldhoff and

the Stock Enchange, (896 3038, CC 179 5385). Ends April 30. ck with a Vengannee (Strand Thears). Barry Humphries, indispotably the outstanding vaunievillian of the 1888, and 1888 are of the (836-2680/4142) appood (Aldwych Theatra). New Tom Stoppard management

romaines and higher physics in a splendidly tent and clever entertuhnment. Felicity Rendal's the goorymous intelligence agent, Rogert Rees and 'Nigel Biawthorne in elegant support. Double meanings and double identities abound. (836 6404, CC 379 6283).

NEW YORK

wices (49th Street Theatre). August Wilson hit a home-run, this year's Pulitzer Prize, with the powerful tale of an old baseball player raising a family in an industrial city in the 1950s, trying to improve their lot 1211). Cuts (Winter Gerden Theatre). Still a

sell-out, Trevor Numn's production of T.S. Effot's children's poetry set in trendy music is visually startling and choreographically feline, (239

6363).

A Charus Line (Shubert Theatre). The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 e230).

6200). Les Miserables (Broadway Theatre).

LONDON

conducted by Owain Arwel Hughes with Shella Armstrong, soprano,

TOKYO

67 57).

Jouvel Orchéstre Philharmonique conducted byn Eliahu Inhal with Mitsuko Shirat, Jard Vannes and Radio France Choir: Mahler's Resurrection (Tue). Salle Ployel (45 63 07

NEW YORK

Exhibitions WEST GERMANY

Berlin, Martin-Gropins Bau. The first complete show of Joseph Beury' (1821-1886) works ever presented in Berlin. There are about 150 room-sculptures and objects and about 455 paintings from the end of the 1940s to the end of the 1940s to the end of the 1940s to the end of the 1940s based on a cycle, The Secret Block for a Secret Person in Ireland. The sculptures are an echo of real life and the artist's memories. Beury was a political radical, who attracted planty of hostility. This exhibition has been criticised for not showing this aspect. Stressmannstrasses 110:

the 100th anniversary of Josef Albers birth, The 100 paintings of the artist, born in Hottrop cover the full range of his work. Ends May 5.

Propennussum. The arts and crafts of Indonesia, illustrated with more than 500 objects in bronze, bamboo, textiles and precious metals spanning 2000 years of cultural history. Eads August 21.

Lijksmuseum. Two hundred of the printroom's finest 15th and 15th century.

printroom's finest 15th and 16th cen-tury ornamental prints, with designs for jewelity, weapons and furniture. Ends June 19. Jewish Historical Museum. To cele-brate the 40th anniversary of the founding of the state of Israel, an exhibition devoted to the thems of light in Jewish ritual, with launs and menorahs specially commis-sioned from modern laraeli and Dutch artists. Ends June 12. Rotterdam, Boymans-van Bouningen

Gerd Brannels. Also offered The Magic Pinis and Schwanesee danced in the title roles by Eva Evdoki-mova and Vladimir Gelvin, (34381).

Bansburg, Staatsoper. Il Trovatore with Sharon Sweet, Natalia Troit-skaya and Juan Lloveras will be conducted by Stefan Soitez. John Neumeter's ballet production Dom-

roucen resums. (Schill), residingt, Opera. Don Glovanni, in a concert varsion, with Sue Patchell, and Benjamin Lunon. Toeca brings Gelfus Savova, Ingvar Wisell and Nicola Martinucci together. (25621). unkfurt, Alte Oper. Elektra, in Ber-heet Warnicke's unoduction, features. best Wernicke's production, features Olivia Stupp in the title role, Anny Schlemm, Helena Doese, William Cochran and John Brocheler, con-

well done repertoire performance with Margaret Marshall, Andrea Andonian, Teresa Ringholz and Claudio Nicolat. Rigoletto has Wasalli Janolako omistanding in the title real. Carmen convinces thanks to Victoria Vergara, Guillano Clancella, Harald Stamm and Teresa Ringholz (2021)

tuitgart, Württembergisches Staat-stheuter. Fidelio in Yuri Ljubimov's

(2021).

Marich, Bayerische Stantsoper Tennhfüner stans Nadine Secunde, Eva
Randova, Spas Wenkniff and Mariti
Salminen. The Magic Flute has a
strong cast with Edith Marthis,
Martti Salminen. The Magic Flute marti Salminen. The Magic Fluts has a strong cast with Rdith Mathis, Martit Salminen and Clean

Rugo's majestic sweep of history and pathos brings in Broadway les-sons in pegesntry and drama, if not strict adherence to its original strict adherence to its original source, (239 6200).

Me and My Girl (Marquis Theatre).

Even if the plot turns on ironic mimicry of Pygnalion, firis is no classic, with Sorgettable songs and dated leadenness in a stage full of characters. But it has proved in he a durable Broatway hit with its marvellous lead role for an agile, engaging and deft actor, preferably British, (947 0033).

over the past decade. Ends June 26. (264 3670)
The Mystery of Edwin Drood (Rennedy Centre Opera House Theatre). The Broadway hit musical based on Dickmas unfinished novel features the music of Rupert Hohmes for which the pop composer won a Tony, Ends May 1. (254 3770).

The Wars of the Roses (Tokyo Globe Theeire, Shin-Okubo). The English Shakespeare Company opens Tokyo's newest theatre with Mich-Shakespeare Company opens Tokyo's newest theatre with McLa-sel Bogdano's lively and inventive production of Shakespeare's English history plays. The theatre was designed by RIBA gold medallist, Arata isozaid, as a withy pastiche— pink outside and various shades of grey inside—of the Elizabethan original. A here stage throws the

Masée d'Orsay. Van Gogh in Paris. To mark the centenary of Van Gogh's two-year stay in Paris, a period which proved a turning point in his artistic development, the Musée d'Orsay has assembled more than 50 of his paintings and a dosen of his drawings from national and private collections. By hanging landscapes and still life by Monet, Auquetin, Benoir, Toulouse-Lautrec and Signac next to Van Gogh's work, the exhibition brings out their influence on the transformation of the Dutch artist's traditionally sembre colours into a soft, impressionist palette underlined by contrasts of bines and oranges, reds and greens. Yet in spite of the revelation of his affinities with impressionism and post-impressionism structured by a strong dose of japanism, Van Gogh used both the techniques in his search for his own, profoundly personal art expressed most dramatically in the series of his self-portraits. (45 49 48 14). Glosed Mon. Ends May 15.

Centre Georges Pompides. Le Dennier Picasso 1953-1972. By placing the last 20 years of Picasso's work in the content of contemporary art, the S5 paintings, 34 drawings and 70 engravings exhibited parmits a fresh by contradictory judgements on the

Also the Leningrad Kirov Ballet. (21851).

Files. Testro Alle Scale. Dominetti's L'Elisir d'Amore directed by Andre's Ruth Schamman (the first woman director here for 30 years), with scenery by Giorgio Cristini and costumes by Jacques Schmidt, Luciano Pavarotti sings Nemorini Giuseppe Parane conducts. (80 97 26). ano Pavaron anga conducts. (30 91 26).

Milan: Teatro Nuovo. Five Tangos (music by Astor Piazzolla and Choreography by Hans van Mamen), Pas de Deux, danced by Luciana Savignano, and Bolero in Maurice Bejant's choreography to Ravel. (41

Bejant's choreography to Mavel. (41 82 65).

Rome, Teatro. Bussotti's' Fedra, based on Racine's tragedy, and produced and designed by the composter, with Halina Moretti, Eleonora Jankovic and Aurio Tomicic, cooduced by Jan Latham Keenig. (46 17 55).

Turia, Teatro Regio. Tucia Valentina Terrani sings authoritatively but over-acts in Blue's Carmen (sung in French), produced by cheems director Claude d'Anna and conducted by Serge Bando. Heles Muller Molhani

rani in the title role, with Verland Luchetti, Mietta Sighele and Glorgio Zancausro. (548,000).

Bologna, Teatro Cumunale. Ruggaro Raimondi in Don Carlo. A new production by Andrej Serban designed by Yannis Kokkos (in collaboration with the Grand Theetre in Geneva) conducted by Myung-Whum Chung. Also Francesco Cilea's Adriana Lecouvieur conducted by Roberto Abbado, with Mirella Fremi and Peter Dworsky. (529 999).

tumes that range from medieval through Victorian in punk. Barry Stanton's fine Faistaff in Henry IV is an excellent full to Michael Pen-nington's angular Prince Hal. In English. Six plays in repertory. (343

4751).

Innshin (Theatre Apple, Shinjuku). A recent survey indicated that Yume no Yuminsha is the most popular theatre group among today's young generation. Hideki Noda's productions are complex fantasies with a strong vein of surrealist humour, rather as if Monty Python were invited in attend a traditional Japanese street fastival. Noda himself is a high-energy comic performer of

Ensamble Intercontemporain con-ducted by Kent Nagano, Anton-Webern, Klair Huber, Alban Berg (Mon), Theatre du Bond-Point (42 56 70 80), Peter Schweier recital, Norman (Mon), Theatre du Norman (Mon), Theatre de Nate-

tier, piano (Mon). Théatre de l'Athe-née (45 42 67 27).

Orchásire de Paris conducted by Kurt Sandariing, Luben Yordanoff, violin: Liadoy, Giazunov, Brahms (Wed, Thur). Salle Playel (45 63 07 96). Brehéstre National de France conducted by James Colon, Uto Ughi, violin: Janàček, Sibeline, Schoenberg (Thur). Théatre des Champs Elysées (47 20 38 37).

MUNICH

eagavings exhibited permit a fresh approach to the controversy caused by contradictory judgements on the ageing painter's feverish creativity. Absorbed at first by paraphrasing Delactoix, Velasquez, Manet and David, his fantasies and obsessions turned in the painter and his model and finally to the basic themes of the archetypical woman, the couple, the man. (42 77 12 33), Closed Tra-

and finally to the besic themes of the archetypical woman, the couple, the man. (42 77 12 33). Closed Tue, Ends May 16. Centre Georges Posspidou. Marc Cha-gall. Furty-six paintings, 406 draw-ings and gousches and nearly all the illustrated books which have the illustrated books which have

Masterplayers Chamber Orchestra of Lugano, Richard Schumacher con-ducting, Handel, Rossini, Dvorak I. (Tvo-mat), Merkin Hall (362 3739). Chamber Masic Society of Lincoln Center, Saint-Saens, Carter, Schu-mann, Arensky (Tuo), Alice Tully Hall (362 1911). New York Philharmonic, James De Preist, conducting Havdy, Posyt-

chetti, Tchaikovsky (Tue); James De Preist conducting, Glenn Dicterow violin. Faure, Saint-Saëns, Walton (Thur). Avery Fisher Hall (874 2424).

WASHINGTON

Symphony, Matislay Rostro conducting, Peter Serking CHICAGO

Chicago Symphony. Erich Leinsdorf conducting. Strauss, Schoenberg (Thur). Orchestra Hall (486 8111).

lieu of death dinties constitute a unique retrospective of Chagali's life and work. From his beginnings in Russian his last years in the South of France, aloof from the poetry, dreams and mysticism. The public thus has a preview of the donation in which the strength of line of his drawings is matched by the glory of colours in his paintings. (42 77 12 33) Closed Tue. Ends June 5.

Grand Palais. Degas. An important retrospective of 275 works covers 65 years of the artist's career from his student beginnings in Raly to the rich maturity of his last years. His favourite themes of ballet dameers Casse us annue of washerwomen, milliners and bathers show the diversity of his impiration echoed by the variety of his modes of expression. Oils and pastels, drawnerswimes, mhotographs daring and invention of the paint who helped to usher in moderni (42 56 09 24). Ends May 16, Clos Tue.

VIENNA

Austrian Museum of Applied Arts, The Kurast and Revolution. A rare opportunity to see Russian and Soviet art from 1910-1932 under one roof. There are 1910-1932 under one Soviet art from 1910-1932 under one roof. There are murvellous paintings by Kazimir Malevich, Wassily Kandinsky and Alexander Redischenko as well as a fine collection of pre and post-1917 posters. It conveys the creativity and energy, expressed in the suprematist movement (1913-1916), the including group of artists based in Moscow (1920-1924) and the constructivists (early 1920s) — movements suppressed by Stalin in the late 1920s. Ends May 16 - movements suppressed by S in the late 1920s. Ends May 15



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A BREATH OF FRESH AIR

AIR CANADA

dejicol Gab

Cinema/Nigel Andrews

Surrealist search after truth

Cobra Verde is a joyous return Colora Verds is a joyous return to form from Werner Herzog. One had feared the worst on first hearing that the Bavarian director was to make yet another film with Klaus Kinski in the mad, mad troncs. After Aquists. Wrath Of God and Fitzouruldo. enough seemed enough. But Herzog has thrown his gargoyle-faced star once more into the breach, this time in West Africa. He plays a semi-crazed Brazilian slave-dealer (and ex-bandit) betrayed in turn by his African ally, the King of Dahomey, and his white bosses back in Bahla. His mind burns under the burning sun. He trains under the burning sun. He trains a lunatic army of Amazonian a functic army or Amezonian black women. And he ends up thrashing in the foam at the sea's edge, valuly trying to drag an immovable boat into the briny to

edge, valuely trying to drag an immovable boat into the briny to make his escape.

Brilliantly adapted and "Herzogised" from Bruce Chattain's novel The Vicercy Of Ouldah. Cobra Verde rediscovers the classic Herzogichemistry: black consety and hely-fool mysticism. The protagonist is a colonial measure of his herzolian bosses trached by many in the film gest him a hero seem as if his soat. Strangles with the says, "At last comething has a distorting mirror. He unseats a tyramical king: he shakes his blond locks at threaty of the many and execution: and he rebuilds a crumbling, sea-worn fortress which becomes the movie's stimming architectural centrepiese. When shown at the recent Herlin Film Festival, the film was ridicaled and savaged by many.

Cohera Verde (PG) Renoir, Gate
Notting Hill
A Hame In My Heart (18) Campon Piccadilly
Death Wish 4 (18) Campons Carrier and Panton
Street Notting Hill
A Flame in My Heart (18) Cannons
non Piccacilly
Death Wish 4 (18) Cannons
Oxford Street and Panton
Control Street and Panton

But Color Verds has a virulent gleam and wit quite unlike the recent laboured Fitzcurraido. Herrecent leboured fitzcurnido. Hereog is aware as never before of the Absurdiam lurking under his monomeniae fables. When Kinski in his bandit prologue hisses "Your money or your life" to the occupant of passing sedan, the slinky lady inside steps down and swirls coquettishly towards him murmuring. "My life." The Herezog world, topey-turvy with a twist of camp, is evident later in the choice autitness of Kinski's training sessions with his black WRAC and the monstrous comedy of the scenes with the King of Dahomey. Presiding over a skull-paved palace, he is played with Amin-like course pomposity by — and we kid you not — His Majesty Nama Agyeli Kwami II of Nasin.

Haters of the movie will not believe that high force can lie

Madness, however, is not a guarantee of watchability or thematic resonance on the screen. Alain to fun trying to respond to a film that the delirium of sexual cases. Sex may, as the maxim poes, be the greatest fun one can have without laughing. But it is resonance on the screen. Alain to fun trying to respond to a film on the subject while feeling as if the subject while feeling

Our heroine is Mercedes, played by the compelling, gypsy-featured Myriam Mezieres, who also wrote the script, heased on her own life. With her hig features, swollen mouth and voluptuously raddled beauty, Mezieres gives the film everything she has. She struts, she laughs, ahe weeps, she soliloquises, she strips to the buff, she makes love, she masturbates.

But everything Mezieres gives the movie is still not enough.



Cobra Verde: Klaus Kinski and his servant held captive by the King of Dahoney

Hindemith's Cardillac/Berne

It is a pity that Hindemith's early nating counterpart between trail music better played.

stage works have suffered the music and stage action, the very same decline in popularity as his precision of the baroque musical other music, for on their rare outsings in the theatre they still the impact of the drama. This Niklaus Tullar, a bearded.

ings in the theatre they still sound strikingly modern and individual. Recent performances of a triple bill of one-actors in Breiburg, of Sancia Susuma in Basic and now Cardillac in Barne have revealed what fertile bunting ground early Hindemith can be, and how masterfully he solved the perennial operatic problems of form and content. These works are part of the rich operatic inheritance from the German expressionist theatre of the 1920's, and as such inhabit a much more pithy world than Mathas der Maler.

But Cardillac's appeal is broader than that, The Berne production, staged by Francois Rochaix and conducted by Roderick Brydon, emphasised the fasci-

characterisation of all as the randy but ill-fated Cavalier. The

The casting did not receive quite the same painstaking care. Niklans Tuller, a bearded, sturdy looking Swiss begitone, cut the right figure on stage, but his voice does not passess the range or dramatic edge for the title or dramatic edge for the title role. Dressed in top hat and morning cost – the epitome of late 19th century bourgeois respectability – this Cardillac seemed a pathetic character, lacking the requisite demonic quality. The part of the Lady, some lacking the requisite demonic quality. The part of the Lady, some lacking the requisite demonic quality. The part of the Lady, still not mastered the erotic elections for a source with greater ment on stage, an essential feature. calls for a soprano with greater ment on stage, an essential fea-vocal and visual allure. The other ture of the seduction scene at the parts were more satisfactorily cast, with a particularly attractive performance by Annika Falk as the Daughter. Ian Caley made a most presentable Officer, while a young Spanish tenor, Jorge Anton, provided the most vivid

chorus was excellent.
Rochaix's staging, in Jean-Claude Maret's neat and exqui-sitely lit representational decor, placed the crowd scenes in an

anonymous town square of the 1920's, but Cardillac's royal visi-

Tussle with the censors at the Istanbul Film Festival

London Mozart Players/Festival Hall

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v.E. wal

The presence of Effa Kazan as jury president, who returned to the place of his birth to accept an honour he has consistently multiry one, Tengis Abulades, 154mhol Miterational Film Festival (April 4-17). Add to this season and the Arts competition awarded to "Truesling In the Cinema and the Acts on an island in support of Islambul's director Nikolai Burlysyav's souther bird frames and the Arts competition awarded to "Truesling International Abulades, and the Colden Tulic, International Film Festival (April 4-17). Add to the season are film festival international film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film prompted a splurge of telegrams of the International film put is not film buffs in prose confidence of the film in the Country of the International film put is not film buffs. The International film buffs in prose confidence of the International film buffs in th

An unforessen tassis with the ing to see festival entries in their rensissance — specked by Yilmas debated for the first time in parcaments this year could be taken as a sign of the Istanbul festival's competition. Later, be was given by several auteur directors today growing importance. Five films a standing ovation at the closing — was confirmed by a spate of a standing ovation at the closing — was confirmed by a spate of ceremonies when he spoke out in invitations to key international Ronald Holloway

Ronald Holloway

Capricorn/Purcell Room

Andrew Clements

Capricorn's programme in the Purcell Room on Wednesday ranged widely through the poly-giot musical culture of the United

Dvorak'a Violin Concerto —
It was certainly little in mind bushed by the end of Weineaday's, for the playing of the soloist, Gybery pank, had a radiance, a parity, and a distinction of style and the movement breaks directly into the middle Adagio before its full structural weight has been established; but the Adagio is so richly suffused with tender Czech lyricism, and the dence-rhythm-fired finale is so exhilarating, that any architectural imbalance is hard to recall, or care about, by the end of the performance.

It was certainly little in mind was no heart-on-sleeve in the much deft, attractive music-making. Now it is perhaps as the ing. Now it is perhaps time to do more chance-taking — to find more dash and responstveness to colour (Chalkovsky's wonderfully and a distinction of style and a distinction of st

giot musical culture of the United
States. It juxtaposed a quartet of
styles — as represented by
Carter, Copland, Feldman and
Torke — with a single new British work. James Ellis's Mountain
Steps had been commissioned for
the concert, and proved to be an
intriguing and perplaxing piece
— a sequence of five, sharply
defined movements for three
winds, three strings and percussion, whose avocative titles
clearly hinted at an extra-musical
programme, though the details of
that were not revealed.

Ellis's music has a clearly
argued harmoule scheme, and a
knack of conjuring some memorable textures, but whether or
not this particular collection of
independent pieces coheres in

The second instalment of Feld-man's Viola in my Life series, beguiling musical wallpaper through which the violist Martin Kelly and his colleagues floated with tact and poise, made a sharp contrast with Michael Torke's The Vellow Propes a comming little ontrast. With Michael lorge's The Yellow Pages, a cunning little study in rock-based minimalism. Unlike most of its lik the piece knows precisely when the point has been made and when to stop. Its exuberance was fully conveyed - Capricorn is undoubtveyed - Capricorn is undoubt-edly enjoying a vintage period at

The Country Wife/Cheltenham

B.A. Young

Horner's opening dialogue with man Theatre, Marjorie Pinchwife, high doctor, where he requires to be thought of as physically moves as if she were 15; she undone for ever with the excels in the bravura fun of the women." ensures by the nearfar letter acces. Horner is given a close, tello and harpsichord, which married a close attention to its rhythmic intricacies (the springing patterns of the last movements were perfectly allows our standards of Wycherley's allows our standards of belief a man within as his trick suggests. Reth Ellis is a handsome that Mr Pinchwife could hope that his young, pretty "country conceals her intimacy behind the conceals her intimacy behind the conceals her intimacy behind the that Mr Pinchwife could hope that his young, pretty "country conceals her intimacy behind her wife" would pass as a boy if she bargaining for a piece of china, wore her brother's breeches, Terry Wale's Sparkish is too when it is the basis of London much given to lond laughter, but society that every man is anxious to seduce every pretty creature to seduce every pretty creature the sees. Inevitably, when "boy" Mrs Pinchwife is allowed a walk in the Exchange, she encounters

Mrs Pinchwife is allowed a walk in the Exchange, she encounters. However, and falls for him.

Their affair is by no means the conly business of the day. Sparkiab, the wit, wants to marry the wealthy young widow Alithea, but Harcourt is after her too, a more marriageable man. And all the ladies except old Lady Squesmish are anxious to have a go at Homer. To describe all the tricks by which such fashionable seductions are approached would fill a page. Lord Macaulay described the play as "the most profligate and heartless of human compositions," yet our satire-trained age can accept it as it appeared in 1765, a very funny and an apt comment on the excesses of the day's society.

Hitchison) finally secures his Alithea (a dignified Susan Twist). The production under three hours, but all theat must have meant more to Restoration audiences than it would to us. It is good to look at, except when the ladies posture with their sunshades as fit they were in Gilbert and Sullivan. There is a flexible set by Glenn Willoughby, rather less than half-realistic, whose many-doned walls can bend to enclose Horner's or Pinchwife's rooms or the New Exchange. The final dance is cumbersome, but as it must bave dull old Pincbwife (Devid Monico, not dull at all) in the forefront, that can hardly be helped.

Like the country wife, "I liked Wycherley fans can see The hugely the actors," especially the Plain Dealer at the Swan, Stratcountry wife herself at the Every-ford-upon-Avon, next week.

Saleroom/Antony Thorncroft

France in the last decades of the same time regime. With 80 paintings of his contemporates in theatrical contemporates in theatrical contemporates in the same of political many of the first same of political first same of the first same of the first same of political first same of the first same of the first same of political first same of the first same of political first same of the fi

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Arts Guide

Continued from Page 20

Continued from Page 20

Kunstlerhaus. After the highly successful Dream and Reality exthinition which looked at fin-de-spicle in Viguna, the Austriaus have gone back to the Riedermeier period (1815-1940). This large exhibition is spitably called The Middle-class Mentality and the Sparit of Revolt Riedermeier and pre-March in Viguna. Probably the term revolt is a bit of misnomer. Unlike other Raropean countries, the Austriana never had their great revolution. Ends June 12.

Seconice. It is worth steing how this building has been restored and the small but fine exhibition of lithographs and drawings by George Risler, ope of the few artists who returned to Austria after 1945. The collection focuses on Rieler's pook (Ilustrations, Ends May 18.

Rethaus. Vienna City Hall is commemorating the Austriaus, the German annexation of Austria in 1958 by a large and counspoons emiliation showing how Austriaus reached to Hitler's march into Vienna and the school and eventual destruction of the lewish miliare in Vienna. Ends June 30.

Kunstraums, Messenalisst, Alfred Brilliche, Austria's leading sculptor, calciural legacy of Vienna's jews which has been preserved by Max Berger, makes up this large exhibition which conveys the same of loss as much as the companisty's artistic richness.

NEW YORK

NEW YORK intropolition Museum of Art. Every phase of Fragmant's art is included in this, the first comprehensive exhibition of his works that capture

April 22-28

FINANCIAL TIMES

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Friday April 22 1988

The reform of education

THIS WEEK'S House of Lords The opted out schools will not be debate on the Education Bill truly independent they will have demonstrated once again the extent of opposition to the extent of opposition to the for Whitehall control. If many can normally be taken for a new central bureaucracy to granted revealed themselves as oversee the affairs of schools dot-critics of some of the more con-ted across the country – nobody critics of some of the more con-troversial proposals: the Bishop of London, for example, said he viewed the impending abolition of the Inner London Education Authority "with dismay." Even Lord Joseph wondsred aloud whether Mr Baker's national curriculum "might not impose too tight a strait-jacket." The con-

spheres. Yet the Government has port for a core of carefully

worked ont reforms.

Many of the reforms are not fully worked out, and some seem peripheral to the central task of raising standards. The contents of the proposed national curricu-lum, the amount of the timetable it will occupy and the way stan-dards will he gauged are all unclear. Critics on the right point out that a centrally imposed curriculum will limit choice and inhibit innovation; the more pragmatic centre worries that it may impose an excessively aca-demic education on the less able

Dubious mechanism

schools to opt out of local authority control are more strongly opposed. The mechanism — a simple majority of parents actually prepared to vote — is dubious. Why should one generation of parents determine the fate of a school for all time and what if only 10 per cent of them vote? Donhts are also being raised about the purpose of the policy.

circumstances are increasing the need for education throughout life. Grants and other subsidies in the policy of the depth of the divisions and antagonisms within right-wing opinion in France. A significant minority of Mr Barre's supporters way they would not vote for Mr Chirac in a runoff against Mr Mitterrand, and vice versa, while an even larger proportion of the supporters of Mr Le Pen say they would vote for neither of the mainchools to opt out of local author-

Thatcher Government's proposed schools opt out, the Department measures. Peers whose support of Education will have to develop oversee the affairs of schools dot-ted across the country - nobody should imagine that civil ser-vants who finance an activity will not also take a keen interest in how the money is spent. Meanwhile local authorities' ability to

tight a straft-jacket." The contrast with the cross-party support in addition to these changes, for a second term, in the second-round run-off against Mr Chirac in a fortable greater.

Education is critical to the future success of the economy— and to the cohesiveness of society— in a way that the poll tax, for example, is not. The penalty for inappropriate change here will be much greater than in other spheres. Yet the Government has maddition to these changes, for a second term, in the second-round run-off against Mr Chirac in a fortable in such less secure than the first; organise London's present, interest of this prediction is much less secure than the first; organise London's present, interest of the success. What supporters in the first round, there seems little doubt that Mr Mitterrand will come first, because his standing in the region of 36 to 38 per cent for sev-

Mr Baker is also proposing allowed little time for consulta-tion and is adding clauses to the sity funding even though he has lill, such as those relating to not yet explained how the new lea, at an alarming rate. It is system of "contracts" will operpresenting a controversial moving target when the complexities are the is refusing to allow uning target when the complexities wersities to offer tenure as an and importance of the subject inducement, rather than a right. demand that it seek broad supeven though this is a feature of

Worrying gaps

There are also worrying gaps in the hill. The importance of effective pre-school nursery edn-cation is widely recognised, yet there are no plans to bring UK

Europe's forum for defence

THE DECISION this week by the seven-nation Western European Union to open exploratory negoti-ations on Spain's and Portugal's membership applications has again focused attention on the role of that shadowy organisation. For it hardly seems worth while, either from the point of

Originally created in the immediate post-war era as a mutual security pact by Britain, France and the three Benelux countries, ing more closely with the Alligued later colored by the countries, ing more closely with the Alligued later colored by the countries, ing more closely with the Alligued later colored by the countries of and later enlarged by the accession of West Germany and Italy, the WEU has suffered from long

bouts of somnolence.

Part of the reason for this low profile was that Nato, with a much broader membership including the US, Canada and Western Enrope, quickly took over the role as the Western world's principal defence organi-sation. That continues to be the case. But recent developments in East-West relations have given tional protection. Moreover, the financial constraints faced by Washington have increased the pressures on its European allies to accept a larger part of the bur-den of defending their own conti-

British fears

The obvious place for the Europeans to discuss these problems amongst themselves is the WEU. since the European Community does not, so far at least, have the competence to discuss defence matters. A good start was made last October, when the organisation's Foreign and Defence Minis-

age isolationist tendencies in the US and thus weaken the Atlantic Alliance in its dealings with the Soviet Union and its Warsaw

That is a signal which should not he ignored by those in Europe who are trying to be more Catholic than the Pope and who are putting the brakes on greater European defence co-ordination as a consequence. There is no longer any valid reason why WEU should not act as a genuine the WEU a new relevance. The western European countries have begun to realise that they may not be able to count indefinitely on the US nuclear umbrella, or indeed its conventional protection. Moreover the well abould not act as a gennine forum for the adoption of common European positions, within the context of the Alliance as a whole. A European politics as a whole. A European politics as a gennine forum for the adoption of common European positions, within the context of the Alliance as a gennine forum for the adoption of common European positions, within the context of the Alliance as a gennine forum for the adoption of common European positions, within the context of the Alliance as a gennine forum for the adoption of common European positions, within the context of the Alliance as a whole. A European politics are whole. arms procurement. Accepting a greater share in the Alliance's

arms procurement. Accepting a greater share in the Alliance's defence must necessarily involve having a greater say in decision-making.

It is only an effective organisation of that kind which is worth cularging. During the exploratory membership talks which are about to begin with Spain and Portugal, it must be made clear to the applicants that they are subscribing to an organisation which intends to become more than just a European talking-shop. The defence platform makes it crystal clear that

Pact allies.

without foundation. However, they should be set against tion. For it hardly seems worth while, either from the point of view of its present members or of the two applicants, to enlarge the WEU if its contribution to forging a European identity within the Atlantic Alliance is not more clearly defined.

Cricically greated in the impression of the US Administration, including the President, welcoming the efforts which are being made to strengthen the European pillar of Nato. Nor does the fact that France is not part of Nato's integrated willtage covering agreed. at a time when Paris is co-operat-ing more closely with the Alli-ance in practice.

Concrete policies

than just a European talking-shop. The defence platform makes it crystal clear that makes it crystal clear that nuclear weapons remain one of the essential elements in Western Europe's defence. Spain, given its reservations about nuclear weapons. May have some distribution in the study reservations about nuclear weapons. May have some distribution in the study reservations about nuclear weapons.

Ian Davidson explains why the presidential election on Sunday could prove a watershed for France

Beneath the sheen of consensus

FRANCE'S presidential election, the first round of which takes place on Sunday, offers the spectacle of a contest which is more interesting and much more significant than it appears

at first sight.

To a majority of the French electorate, according to a poll a few weeks back, the campaign appeared uninteresting, no doubt because there has been too much apparent consensus and too much predictability about the final out-

Yet the French are wrong to be bored: beneath the smooth sheen of consensus and the apparent predictability of the result, it is arguable that this election will prove a fundamental turn-ing point for the Fifth Republic.

A central prediction emerges from all recent polls: President François Mitter-rand will come top on Sunday by a wide margin; Mr Jacques Chirac, Prime Minister and leader of the neo-Gaullist RPR party, will come second, well behind Mr Mitterrand but comfortably ahead of Mr Raymond Barre, his chief right-wing rival and standard-bearer for plan for their areas will be undermined and their costs raised as support services are spread over fewer schools.

In addition to these changes, the Contract in addition to these changes, the Contract in addition to the confidential expect to be re-elected for a second term, in the second-round run-off against Mr Chirac in a fort-

> the polls has remained consistently in the region of 36 to 36 per cent for sev-eral months, even if it has tailed away a little. There seems equally little doubt that the second-round run-off will be between him and Mr Chirac; over recent months, Mr Chirac's rating has climbed steadily while that of Mr Barre has fallen equally steadily, and recent polls put Mr Chirac 4% to 6% percent-age points ahead of Mr Barre. Uncertainty becomes more serious with the second round. According to

the crude aggregates in the opinion polls, the supporters of all the right-wing candidates taken together outnumber the supporters of all the left-wing candidates taken together; but Mr Chirac and Mr Barre together only add

there are no plans to bring UK
provision up to international
standards. Likewise no effort is
being made to increase the proportion of 16-18 year-olds staying
at school, even though this is
abnormally low. Entry to university remains extremely restricted
by the standards of competitor
continued and Mr Barre together only and
up to 40-42 per cent.
The critical difference in the numbers comes with the addition of Mr
Jean-Marie Le Pen, the extreme rightwing National Front candidate, whose
rating has gradually risen to an astonishing 10-12 per cent. Mr Le Pen's
strength comes partly from the high
concentration of immigrants in areas O per cent.

Options mechanism

Dubious mechanism

The provisions allowing state chools to opt out of local author chools to opt out of local

> would vote for neither of the main-stream right-wing candidates on May 8. Of course voters may change their minds after Sunday's results, if they face a stark choice between Mr Mitterrand and Mr Chirac, for example, Mr Chirac could perhaps gain a surge of support from right-wing voters who would really prefer to be voting for someone else. The final result will probably be a lot closer than the 52-54 per cent Mitterrand victory predicted in most polls; but the surge to Chirac



The key figures: Jacques Chirac, Jean-Marie Le Pen, François Min.

would have to be very large to give him

victory.
In this respect, Mr Mitterrand's tactics look especially subtle; some might even say devious. Mr Barre has promised to dissolve the National Assembly if elected; he must, because he would need to strengthen his position in par-liament where the neo-Gaullist RPR party is larger and more disciplined than his disparate followers in the than his disparate followers in the UDF. For mirror-image reasons, Mr Chirac says he would not dissolve the National Assembly; moreover, he does not want to alarm National Front deputies who came to parliament under proportional-representation voting rules, but whose seats would he vulnerable under the majority-voting rules restored by the Chirac Government.

Mr Mitterrand, by contrast, is having it both ways. On the one hand, he says that he would not wish to dissolve the National Assembly. He would appoint a Prime Minister to reflect his ideas and this Prime Minister would form a government. Only if the government were "prevented" from governing, would Mr

'prevented" from governing, would Mr Mitterrand call fresh general elections,

Many observers suppose that the odds on favourite to be Prime Minister must be a right-wing socialist like Mr Michel Rocard, the former Agriculture Minister and Minister, but Mr Mitterrand has been very careful not to specify that the Prime Minister would be a socialist. Moreover, he has gone out of his way to declare that there are numbers of perfectly decent people within the present Government's centre-right majority, with the unmistakable implication that he is prepared to offer jobs to centrists to secure a perflamentary majority.

to secure a parliamentary majority.

The option of a parliamentary opening to the centre is peculiarly tantalising because of the implications of the proportional voting rules which governed the 1986 general elections. When a member of parliament becomes a

minister, he gives up his seat in the National Assembly. In the old days, under majority voting for single member constituencies, the minister would be replaced by a stand-in; if the minister lost his government job, the stand-in, would stand down.

But the rules are different under the

proportional representation voting introduced by the socialists, with party lists in each department. A minister Mitterrand as tactician will employ almost any ...

But the rules are different under the

device and dangle any lure to win and to control the political system

who loses his government job cannot recover his seat in parliament except through new elections; if his replacement resigns, the seat would be taken by the next person on the party list, and so on. So long as Mr Mitterrand postpones calling new elections, therefore, Mr Chirac and the other heavy hitters in his Covernment would simply cease to play any role in the Noticeal Resembly.

How much difference this would would remain a Cassandra-figure on the back benches, but since he has deliberately avoided trying to be a party leader, his position would be weakened by electoral defeat. Mr Chi-rac would be out of parliament, but he would remain a powerful figure with immense powers of patronage as Mayor of Paris; a convincing showing in the second round might help him strengthen his RPR nerty by forzing strengthen his RPR party by forging links with, or even taking over, ele-

By contrast, former President Valery

Giscard d'Estaing would remain per-haps the leading centre-right figure in the National Assembly, and there has been growing speculation that he would profit from a Mitterrand victory. He has conspicuously refused to declare a choice between Mr Chirac and Mr Barre, each of whom served under him as Prime Minister in the 1970s. And him as Prime Minister in the 1970s. And when Mr Mitterrand is asked whether he would return to proportional voting or not, he keeps his options open (as usnal), but always includes some kind words for Mr Giscard d'Estaing's proposal for a mixed system, with proportional representation in departments with large populations.

In other words, the tactician in President Mitterrand is prepared to employ almost any device, and dangle any lore, to win not just the victory in the presidential election, but control of the political system. The corollary is that this

ical system. The corollary is that this presidential election almost unavoidably marks a fundamental departure from the doctrinal and constitutional tradition inherited from General Charles de Gaulle as founder of the

All three leading candidates pay lip-service to the legitimacy of the Gaullat heritage and in two respects they are partly sincere. First, there is a popular consensus on the need for the French nuclear deterrent; second, there is a tional arrangements of the Fifth Republic. But Gen de Gaulle would not have approved of the direction in which france's nuclear consensus is evolving and he would have vigorously decried the party-political manoeuvring of this election.

Ostensibly, the nuclear consensus still rests on the notion of French inde-pendence. In reality, the socialists, fol-lowed by the neo-Gaullists, have moved steadily towards the idea of much closer defence links with France's

European ailies; they have not solved the problem of how to reconcile defence co-operation with nuclear independence, but it is evident that European co-operation now has a priority which is logical in the post-Reykjavík era but which is scarcely Gaullist.

The shift in attitude is eloquently parallelled in the policy of the neo-Gaullist RPR party towards the European Community. De Ganlle paralysed the Community for six months in 1965 in the name of a claim for a national veto; in 1965 President Mitterrand

m the name of a claim for a hattonal veto; in 1985 President Mitterrand signed the European Single Act which significantly increased majority voting; the neo-Gaullists did not much like this, but today the RPR, like the Socialist Party, proclaims the overriding merits of the single European market and

ist Party, proclaims the overriding merits of the single European market and the need for a single currency and a European central bank.

Perhaps President de Ganlle's views on Europe would have evolved over time. He could never have approved the party-political maneeuvring which has come to characterise this election. Mr. Barre is the only major candidate to attempt to emulate De Gaulle, by standing as an individual free of party ties; but the verdict of the opinion polls is that only a national hero can hope to be elected without the support of a major party apparatus, and while Mr. major party apparatus, and while Mr Barre may be "the best economist in France" (in Giscard's words), he is not a national hero. If Mr Chirac has overtaken Mr Barre,

it is at least partly because he controls a rich and powerful party machine. His weakness may be that this machine does not yet command enough of the centre-right vote or dispense enough of the centre-right patronage. Mr Mitter-rand presides over the biggest party in. France and his tactical problem is enor-mously simplified by the collapse of the Communist vote to insignificance. Mr. Chirac, by contrast, has the much more difficult problem of combining over-tures towards the centre with overtures

towards the National Front.

If he is defeated, it will be partly because the problem is temporarily insoluble. But the unavoidable conclusion is that he must strengthen his chance next time round by enlarging his party. The Gaullist model says that the President is above the fray; the logic of events compels the creation of strong parties, which in turn means a bigger role for the National Assembly.

Many commentators, on the left and
on the right, have lamented the hollow

on the right, have lamented the hollow cynicism of this campaign. In Le Monde, Mr Jean-Marie Colombani has denounced the "confiscation" of this election by the power-play of party cal-culations, in which clear and open pol-icy debate has been smothered, or evaded, in favour of devious political

One can sympathise with the indig-nation. But the plain fact is that the ideological contest between left and right in France is much, much weaker than it was: that the European imperative is becoming more of a fact than a choice, leaving less room either for old-fashioned socialism or for old-fashioned *étatisme*; and that in the absence of the traditional antithesis between fundamental policies, the only, or at least the overriding stake in the elec-tion is the crude conquest of political

die

As a result, it seems probable that this presidential election, for all its frustrating evasions and ambiguities, will mark a profound change in the French political system. Whoever wins, on May 9, the transformation to a parliamentary-party system will be two-thirds complete, and Gaullism as we have known it will be dead. Except, of course, in the speeches of politicians.

New breed of mouse

He is the mouse for today and he lives to Birmingham. He cocks a snoot at poisons and treads a different path to his cousins. He is the young upwardly mobile mouse (yummy) and is poten-tially a big problem to the people in the rodent control business.

The new mouse was discovered by Rentokil pest control workers in the Bull Ring area of Birming-ham and so far it has defeated This is worrying news for Ren-tokil since it has just wheeled out tis latest weapon against mouse-dom, the Mouse Alert, a sort of burglar alarm triggered by break-ing the infra-red beams in a small box designed to be particularly inviting to mice. The system is aimed at companies where being completely mouse-proof is essen-

Ordinary mice tend to walk along the sides of solid objects and are inquisitive by nature, so

"platform," which goes further than anything they have done before in setting out a European defence strategy. Yet the WEU of some of its members, particularly Britain, that if it goes too far in the direction of working out a common European position, it would undermine Nato, encourity would undermine Nato, encourity and some of the strategy and the strategy are good at the strategy what they are good at the strategy. Yet the WEU ons, may have some difficulty in meeting all the commitments of the platform, in spite of its public protestations. But the issue should not be fudged if the WEU wants to be taken seriously as an effective European defence forum.

Europe's defence. Spain, given its reservations about nuclear weap.

Spain anything they have done the servations about nuclear weap.

So, may have some difficulty in meeting all the commitments of the platform, in spite of its public cisely what they are good at. When he has enough, he hopes that the study will provide valuate. When he has enough, he hopes that the study will provide valuate.

After the press briefing on nothing to fear from President Reagan's White in politics. On Wednesday he excelled at it, even reducing his arch foe, Neil Kinnock, to laughter.

After the press briefing on nothing to fear from the House spokesman, Marlin Fixwater.

After the platform, in spite of its public that the study will provide valuate.

After the platform on a resolution of the platform, in spite of its public that the study will provide valuate.

After the platform on a resolution of the platform of the lease of the outself of the platform on a resolution of the platform of the fouse spokesman, Marlin Fixwater.

After the platform of the fouse spokesman of the platform of the platform of



mouse enjoys gnawing frozen

the 1980s. He has developed from the Antipodes are talking about a new group the 1970s supermouse which became resistant to some pol-sons.

Goodhart again mGoodhart's law may have been proved right once again. The law states that whenever

you begin to target a monetary variable, it begins invariably to Charles Goodhart is the forme

chief monetary adviser to the Bank of England and now Profes-sor of Banking and Finance at the London School of Economics. It was he who cast some scepticism on the targeting on M3 -the broad measure of the money

Danish breakfast

ms the US planning to gobble up Denmark? The possibility can-

in Danish-American relations. "To me Danish means break-fast," he said, referring to what in Britain is known as Danish pastry, in Denmark as Vienna bread and in the US as just Dan-Rules of the club ■The star of the House of Com

Demmark's policy of refusing to allow nuclear weapons on its ter-ritory, Fitzwater confessed that he had not heard about the crisis

which the resolution has caused

tle of the classic parliamentarian - the slightly bogus champion of the rights of the back-bencher: Benn can he a very witty speaker, having realised that that

parliamentarian" who enjoys the back benches, said that it was a "a patrician view."

Benn put the week's events in perspective by pointing to historical precedent, going back to the 17th century and the Irish disruptions of the 1880s. The day we accept that the House can remove a member is the day of the remove a member is the day we destroy parliamentary democracy," he hyperbolised. Still, he had a point in saying that Brown's real offence was against the rules of the club rather than any particular democracy. against democracy as such. Some of Margaret Thatcher's new breed of Tories are too pompous. In-jokes abounded. A traditional High Tory baronet, Sir Nicholas Bonsor, admitted that he had been Brown's pair to vot-

he had been Brown's pair to voting arrangements for nine years

— as weird a coupling as the
Commons can ever have seen.

Brown's few supporters came
from Labour's hard-left, including Eric Heffer who said that the
House did not "need a sledgehammer to crack a ..." Heffer was
drowned out by laughter before
completing the cliche. But he had
it about right.

Sense of history There was a slightly carping tone, we thought, in the reactions of both the British and US administrations to the freeing of the hostages by the Algerian authori-ties. At least the Algerians got them out alive, which did not

always seem likely. One British newspaper went mons debate on Wednesday right over the suspension of Roon Brown, the mace dropper from Leith, was Tony Benn.

With the departure of Enoch Powell, he has adopted the manifect of the classic parliamentarian.

With the departure of Enoch Powell, he has adopted the manifect of the classic parliamentarian. Fifty years ago was 1938, hardly the best of times for civi-

lised international behaviour.

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ONE DAY Editain's conservative reso-ONE DAY Ratiam's conservative resolutionaries may go too far. If (when?) they do, they will self-destruct. I cannot tell you exactly what "too far" is, for the line has been receding since 1979, when the present Tory government was first elected. At one time it would have been unthinkable to sell publicly-owned houses to sitting tenants at a discount, or to face down the trade unions, or to return virtually all the nationally-owned industries to the private sector. owned industries to the private sector. Now those policies are regarded as the foundation-stones of the Government's

There was a day when the idea of student loans would have been rejected out of hand as an American device. out of hand as an American device. Even a scheme for top-up leans as a means of adding to existing grants would have been shredded the moment the first official minute appeared. Now that rather sensible notion is being wheeled along to the "too far" line to see if it stops short. A few years back the proposition that the building of prisons should be put out for private tender would have elicited the response that the proposer was mad. This lark is tender would have elicited the response that the proposer was mad. This lark is now within the likely bounds of present-day acceptability. Before you know it, they'll be talking about the management of prisons by private firms.

If that gives an idea of how the boundary shifts, consider one or two pet policies that are not being put forward became they would quite clearly overstep the mark. In the House of Commons some simple-minded Tory backbenchers clutch you by the sleeve backbenchers clutch you by the sleeve and mutter that it is a strange coinci-dence that the streets are unswept while many people are unemployed. The answer is plain: force claimants for The answer is plain: force claimants for unemployment benefit to sweep the streets. At one stroke, they say with glittering eye, you abolish both unemployment and the social security hill.

Such people look longingly across the Atlantic at "workfare", which at its worst could mean cheap forced labour and at its best sophisticated training schemes like those the Swedes operate so successfully. (In my view a combination of the street schemes like those the Swedes operate so successfully. (In my view a combination of good training schemes with en obligation to take available, suitable, properly-paid work is only common sense.) But workfare is the policy that dare not speak its name, its introduction under its American label would constitute going "too far". That is why Conservative ministers stremaously deny that any such plan is in their minds. The fact that the Government is beginning to introduce it, under the guise of expanded training schemes and a programme of steady pressure on the unemployed to be available for work, is neither here nor there.

unemployed to be available for work, is neither here nor there.

Or take the National Health Service. Pet plans for handing health care to the private sector are out of court. Encouraging more use of private hospitals is not. Looking the consultants in the eye and asking whether perhaps they are a trifle overpaid is politically possible; paying the nurses less than their review body awards them is not.

Since 1979 it has been the special good featune of the Prime Minister, Mrs Margaret Thatcher, to know where this ever shifting boundary lies, Parhaps it has been delineated for her by others, such as Lord Whitelaw, whose illness has taken him from her side. It may

POLITICS TODAY: Joe Rogaly



Mrs Thatcher knows how far is too far

have been forced upon her by circumstance, as in the Westland case, when have been forced upon her by circumstance, as in the Westland case, when she had at least one foot over the boundary of "too far". But whatever the proximate cause, she has not yet completely overstepped the fatal line.

This is remarkable. After three election victories in a row, Mrs. Thatcher's determination and forceful manner have put more personal executive power in her hands than has been exercised by any peacetime Prime Minister. You can see it in the shining, adoring faces of her party workers (as at the Conservative central council meeting at Burfon the other week); on Monday night, when she won that crucial vote on the community charge (poll tax) in the House of Commons, you could see it in her own face, as it changed in a micro-second from sombre uncartainty to laughing triumph. Many people would have become so drunk on that amount of power that they would have made some dreadful error of judgement by now, and possibly have been tumbled out of office as a result of it. Not Mrs Thatcher, She is blessed with the ability to brong whem a more would healthill the house he had been the house of the house o Mrs Thatcher. She is blessed with the ability to know when a move would be "too far". If she loses that ability she herself will be lost. That is why the conservative revolu-tion will continue, in spite of a series of mini rebellions on her own back-

benches over the past few weeks.

The closest the Government has come to "too far" was on Monday's vote on the poll tax — the levy of which even the most destitute in the land will have to pay at least two tithes. But with a 25-vote margin of victory the Prime Minister could comfort herself with the thought that the vote had not with the thought that the vote had not taken her too close to the precipica. After all, the recent manifestations of ethical discomfiture follow a Budget that many people would have judged way out of line even two or three years ago — yet the top rate of income tar has been reduced to 40 per cent and social welfare payments to some of the worst-off have been trimmed, all within a few weeks of one another. The Government has survived.

a few weeks of one another. The Government has survived.

My guess is that if Downing Street does one day lose its sense of balance it will be over some security issue — the over-assidnous prosecution of a leak, perhaps, or the introduction of too restrictive a bill on secrets. A more mundanc test of the Prime Minister's shiftly to know when to stom may, howability to know when to stop may, how-ever, arise quite quickly in the House of Lords. The issue would, of course, be the poll tax. For it is still possible to go too far on this issue.

Let us assume that when the prese

bill is put before their Lordships they

so after the nature of the community charge that it becomes an embryonic local income tax. That would be the effect of "banding" the charge — increasing the amount of poll tax payable by higher rate income tax payers and halving it for non-taxpayers — as and inniving it for non-takengers—as proposed by the doughty Conservative backbencher Michael Mates in the Commons on Monday. Bending would be fairer, but it would sink the principle of what the Prime Minister has described as the flagship of her legislative programme. tive program

in such circumstances Mrs Thatcher's reaction would depend upon her sense of what was politically possible. The poll tax is increasingly unpopular, not least because it is seen to be unfair. not least because it is seen to be unfair. My Mates and his supporters may have lost the vote in the Commons on Monday but the moral victory was theirs. No one who was present at the debate could doubt that the Government got by on a combination of the votes of its own placemen, would-be placemen, and several blindly loyal supporters. The latter were not sufficiently in evidence to carry the day unaided by the former, So if the Lords were to insist on the degree of fairness proposed by Mr Mates a sensitive government might Mates a sensitive government might accept that with good grace.

This is, however, a revolutionary

Government. Its leader's avowed purpose is to "change everything". Both the Prime Minister and her Secretary of State for the Environment, Mr Nicholas Ridley, sincerely believe that it is right for every voter, however destitute, to pay at least something towards local government services, and that the more voters who pay the entire flat rate amount the better. To them the alterna-tive might be the continual re-election of high-spending left-dominated Labour

And there lies the rub. For the further you move away from a flat rate poll tax the less effective is the disciplinary effect upon low-income voters. The tax must be unfair if it is to have the desired effect. (In fact "loony" councils are already being curbed by rate-capping, removal of housing stock, potential removal of education powers and many other messages. and many other measures. The poil tax is a second pair of braces on top of belt,

braces and a rope around the waist.)

The Government in its present mood might therefore seek to override a Lords resolution that "banded" the pollitax. It would presumably go for a further vote in the Commons. Constitutionally speaking, that would suffice, if the Government wan the wate. the Government won the vote. Too far?
It is already being argued that the hereditary and manufactured peers should not override the will of the people as expressed through their democratically-elected representatives in the Commons. It is true that the Lords is not a democratic institution, but the argument remains humber On a free not a democratic institution, but the argument remains humbug. On a free vote the democratically-elected representatives would reject the entire poll tax. In any event, the Conservatives won only 42 per cent of the vote last June. Taking into account non-voters, they registered the support of under 32 per cent of support of under suppo

they registered the support of under 32 per cent of everyone over 18 who was not mad or a peer; this figure falls below 30 per cent if you put the general election votes for Mr Mates and his supporters into the opposition column.

Mr Ridley would protest that the Conservative's 1987 manifesto provided for a flat rate poll tax. It refers to a "fairer Community Charge" to be levied at a "fixed rate". Hang on to that for a moment. In the same manifesto the Government says that "child benefit will continue to be paid as now." Since the election it has interpreted those words to mean that there need be Since the election it has interpreted those words to mean that there need be no annual increase in the benefit. The manifesto refers to entire boroughs oping out of the Inner London Education Anthority – the post-election plan is to abolish the ILEA altogether. If the Lords choose to interpret "fairer" and "fixed rate" as a fixed percentage rate for the poll tax rather than a flat rate they will be just as close to the Conservative manifesto on this matter as the Government has been on child benefit and ILEA.

and ILEA.

In any event, the Lords can take comfort from Lord Hailsham's observation, in a talk given last November, that "the British constitution is one of utmost flexibility." They too are restrained only by their sense of where the line of political unacceptability lies. The interesting question is whether the flexibility shown by Mrs Thatcher's Tory revolutionaries over the past mine years will be maintained if the Upper House turns be too mystic.

Then we have the arrogant interests. Not an opposition to tap. There is also a genuine problem of industrial the baggage of history can be dumped, there is a risk that to enhance the competition for heavy-handed regulation rather than competition. But the prize is a risk that to enhance the arrogant arrely worth shooting for.

Lombard

Tilting at Tory monopolists

By John Plender

FOR THE foreign currency trad-monopolist, British Gas, which

industry — the British Steel Cor-poration — is squarely planted in the ideologically unsound public sector. And why, they ask, is the British government is so antipa-thetic to a market solution to the

thetic to a market solution to the future ownership of Rover Group?

The answer, on all counts, is that the approach of Mrs Thatcher's government towards public and private ownership is a muddle — a mixture of blind prejudice against the public sector and half-hearted commitment to commettion. to competition. And that represents an outstanding opportunity for Labour's current policy review. If Labour's trade and industry spokesman Bryan Gould can persuade his party to junk its commitment to nationalisation and shed its image of being soft on monopolists and producer interests, much Tory policy on industrial affairs could be shown

up for the atavistic nonsense it really is. Consider the potential political gains for Labour. The popularity of the British Telecom privatisaof the British Telecom privatisa-tion derived chiefly from the underpricing of the original issue. The profits made by the army of small investors that sub-scribed for the shares and then worried about Labour's pre-elec-tion commitment to renationalis-

FOR THE foreign currency traders who have been piling into sterling in recent weeks, the sterling in the ste

mill.
Yet the increase in gas prices is as nothing compared with the 15 per cent price increase over the next two years that the electricity industry is being required to impose in advance of privatisation at the government's behest.
Despite the fact that domestic electricity prices have fallen by 15 per cent in real terms over the past five years, the electricity industry's current cost pre-tax.

past five years, the electricity industry's current cost pre-tax profits have more than doubled to £714m over the same period. Many in the industry regard the scale of the price increases as far in excess of what is needed to finance the industry's new power station programme. The Confederation of British industry is similarly unconvinced by the govern-

ment's arguments.

In short, the electricity industry's profits are being fattened up to swell the proceeds of privatisation when the government's own finances are healthier than they have been for years, and the pro-cess of privatisating state monop-olies threatens to institutionalise

a form of inflation that the public sector ownership had gone a long way towards eradicating.

With the bull market over, many voters may now be more concerned about inflationary threats than excited about popular sectors. tion commitment to renationalis-ation are by now a distant mem-ory. Not so the general dissatisfaction about BT's quality of service. Despite the rather fraught attempt by British Tele-com to improve its image, there remains a rich vein here for the opposition to tap. There is also a genuine problem of industrial the baggage of history can be structure to be confronted; how the subance the competition for Labour will err on the side of regulatory framework. than competition, But the Then we have the arrogant surely worth shooting for.

spaced out

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نشئرة سرور

; 45SD

From Mr Phillip Oppenheist MP. effected a "double U-turn" on space policy (Leader, April 19), B. From Mr Burry Clark. has carefully considered the pos-sibilities and practicalities of the many joint ventures on offer, and decided which to invest in. This measured approach has resulted in some modification to the pro-jects and hence a better deal for UK taxpayers.

It is understandable that the

es which stand to benefit companies which stand to benefit (and their lobbyists), as well as a large and vociferous bunch of space enthusiasts, should be disappointed. But when we are only appointed. But when we are only inst beginning to get our basic industries right, it would be rash to divert resources into highly speculative and competitive space ventures. We may lose some scientists to overseas competitors, but not as many as one of the 1965 Act creates a single property of the competitions and competitions are reconstructed. would have been sidetracked gle offence. In fact it creates two from the rest of industry were we to pump money indiscriminately Where an individual is, or has

Brahazon, Blue Streak, TSR2, insider), he commits an offence Concorde and Minrod were all only if 'he knowingly obtained' eagerly promoted in their time, that information from an insider but all proved commercially unvble. Their cost to the rest of the economy was very dear.

Presumptuous to use the Prime Minister to advance one firm's interests

Letters to the Editor

Principles do not always pay colours nailed to Mr Matea's mast

Sir, You are less than fair to on Mouday night.

Michael Mates (Leader, April 20). In any event, the undoubted
You imply that ministerial status—achievements of this Government tou imply that ministerial satus—achievements of this Government would occupy apparently idle could well be undermined if it time sufficiently to prevent him inciting further rebellion.

However, the esponsing of and then issues the call to honorincipled objections is not the conduct most likely to be rare sign of effective opposition. Barry M. Clark, minister under the present 26 Regent Street, administration—viz many of the Chifon, Bristol

Insider dealing in a few words

within the preceding six months been, connected with a comson why US electronics lost out pany, he commits an offence if he to Japan in many fields is that they found it more profitable to rely on the easy pickings offered by state-backed space projects. But where, as in the case before than to compete in world mary Judge Butler, the dealer is not so compacted (smd so is not so is not so is not so compacted (smd so is not so is no connected (and so is not an insider), he commits an offence (s. 1(3)).
If this phrase is ambiguous

(and it is not clear from the press reports whether the judge thought it was), the ambiguity must be resolved in favour of the

Roll out

From Mr Gordon Tymm. Sir, George Stern (Letters, to become "unreachably ahead" of the UK. Maybe - although that's not my experience. Can I suggest, though, that he will find litaly even more unreachable if be continues to seek it in north west

Gordon Tynun, 6 Banaston Court, Yeldersley Lane, Brailsford, Derbyshire

Empress of ice cream

more lenient interpretation, because the section is penal in From Mr Adrian Heurit.

Justinian apparently favours the elasticity of ice cream, writ-a liberal purposive interpretation as an employee of J. Lyons at tion of a penal section. Even if Cadby Hall in 1950, was our prestitis heretical approach were justifiable, it would remain necestary in account remain necestary in accou sary to assign a meaning to knowingly obtained which differs from that of "has", and so explains the change of language between the two offences. Ralph Instone,

Sir, Neither Christopher Par

This well-established principle editor (April 19), nor the Shropwas applied by Upjohn J (as the shire trading standards officer future Lord of Appeal then was who wrote the report "Ice Cream in an analogous case in 1953, when he held that the issue of fully-paid depending stock as contidered for the control of the contr kes, your consumer industries editor (April 19), nor the Shroptechnologist who developed the process by which ice cream could be puffed up with large amounts not "borrowing" for the purpose be puffed up with large analysis of the Control of Borrowing of undeclared air.

Yet the anthor of a paper on Yet the author of ice cream, with

Geoffrey Cannon's Politics of tury Hutchinson, 1987) He credits Mrs Thatcher with the

invention, adding that there is no reason to suggest that she intended to defrand the public. Adrian P. Hewitt, 16 Framfield Road, NS

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Wolff's Managed Traded Options Accounts and Independent Traded Options Accounts, open the way for you to profit from these fast-moving markets.

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Commodity Markets.

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PTA22

UK subsidiary of the Japanese electronics firm, Epson (April 12). These featured a Japanese woman dressed in the clothes of Margaret Thatcher. As one turned the pages, her facial features changed progressively into those of the Prime Minister.

The message of this speciacu-lar advertising blits was that the forthcoming EC anti-dumping duty on Japanese matrix dot printers would create - inter alia - unemployment in Britain, cut investment in Britain, and generally retard the process of international free trade.

Prime Minister to advance the particular commercial interests of one firm, it is important to correct the grossly misleading impression given to your readers that anti-dumping duties have any of the effects described.

Such duties have frequently been applied to Japanese and, so them, But it is disindent to doubt it.

Foreign firms are induced to come conditions are conditions for open trade, in impose on them. Much recent imposed to the framework come on shore to avoid the duties conditions for open trade, in imposed on them. Much recent and defended by GATT. As such, it should be supported and defended against the well-finance claims of interested parties that anti-dumping duties have been upheld by the courts. Epson to this effect. Will Epson claim and firms like it may employ people and invest in Britain and good luck to them. But it is disindent to doubt it.

They are imposed whenever there is conclusive evidence of foreign companies selling products at below their domestic prices, and

doing so in a way which causes

"material injury" to European producers in the process. Anti-dumping action is provided for in law - as proper redress against an unfair trade practice - and is fully sanctioned by the GATT, the adjudicating body for open trade. Anti-dump-

From Mr James Moorhouse MEP. indeed, other countries goods in genuous to claim that by investing in UK plant to assemble or, series of advertisements from the effects which Epson claims. Worse still, simply sell dumped them take their place with other UK subsidiary of the Japanese Anti-dumping duties are perelectronics firm, Epson (April 12).

If, instead, Epson and its ilk worse still, simply sell dumped them take their place with other place with other places of advertisements from the producers competing them. The producers competing the producers c

nition are causing material injury to domestic producers) are goods putting domestic pro-ducers out of business - so jobs are lost as well as gained when companies like Epson set up shop. And – since the basic manufacturing of dumped products takes place abroad rather than at home - if anything, dumping does usually involve a consider-

are prepared to stop dumping, let them take their place with other Dumped goods (which by defi-ition are causing material abusing the free trade system

What Mrs Thatcher - so mis

they are so keen to extol. Lord Young (whom Epson quotes) may well have said that: "Wa need to shift the perception of Japan from problem to major opportu-nity", but the Government rightly has seen that anti-dump ing action, which it endorses exists independently of trade po

ing provisions exist in the law of all main GATT contracting parties for precisely the same reason pace Epson, seem actually to these advertisements — realises is that anti-dumping action is the encourage investment in Britain anti-hesis of protectionism. It is market daminance by Poreign firms are induced to



FINANCIAL TIMES

Friday April 22 1988

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Gorbachev gathers support in debate over reform

A FUNDAMENTAL debate rag-ing in the Soviet press on the nature and direction of Mr Mik- pers. hail Gorbachev's reform pro-gramme appears to have reached the highest echelons of the Com-Soviet leader's supporters are claiming at least a temporary vic-

Top party officials from all 15 cs, as well as party leaders from the territorial and regional party committees, have been summoned to the Kremlin over the past 10 days, while backers of perestroika (restructuring) built

Moscow's diplomatic community that the whole affair amounts to st Party in recent days. The a major reversal for Mr Yegor reform. Latest reports, as yet the original article – the firm of the response shows that it was stantiation, suggest he may even lose one of his jobs – he is responsible for party ideology.

What is clear is that the debate

up a crescendo of support in the over a newspaper article published more than a month ago in pers.

Rumours have been rife in Moscow's diplomatic community

Russian Federation, has touched any newspaper of the past should not be denimated to the provincial press, and said the achievements of the past should not be denimated to the provincial press, and said the achievements of the past should not be denimated to the provincial press, photo-copied for distribution at party meetings and even for one dense on the subject in Leningrad to the provincial press, and said the achievements of the past should not be denimated to the provincial press, and said the achievements of the past should not be denimated to the provincial press, photo-copied for distribution at party meetings and even for one dense on the subject in Leningrad to the provincial press, and said the achievements of the provincial press, photo-copied for distribution at party meetings and even for one dense on the subject in Leningrad to the provincial press, photo-copied for distribution at party meetings and even for one dense on the subject in Leningrad to the provincial press. raw nerves in the whole internal debate on reform.

In spite of the fact that the Ligachev, the second most power-ful man in the Kremlin, who has increasingly been identified with pletely one-sided – practically efforts to restrain the pace of every comment has condemned

was denounced in Pravda, the Communist Party newspaper, and subsequently pilloried in letters and articles in many others. Pravda described the article as "a manifesto of the anti-peres-

The newspaper Komsomol-skaya Pravda, published by the party youth wing, called the delay in responding "three weeks of stagnation" which played into the hands of conservative forces. at "a manifesto of the anti-peres-troika forces."

The anti-perestroika forces.

The anti-perestroika forces.

The anti-perestroika forces of leaving the road so simply,"
the newspaper said. "More than that. In those three weeks, they were witnesses to our indecisive-ness."

ACEC and

set up joint

ACEC, BELGIUM'S heavily loss-making electrical engi-neering and electronics com-pany, announced yesterday it

was merging a key area of its activities into a joint subsidiary with the French company Alsthon. The move is part of a wider reorganisation plan and drive to find new industrial

pariners.

The Belgian concern, which has proved a major financial headache for its leading shareholder, the embattled holding company Société Générale de Belgique, said yesterday that its electromechanical and transport businesses would be put into a jointly owned subsidiary with Alsthom and that negotiations on combining "all aspects — commercial, social, tecimical, and financial" would be conducted between now and the end of June.

the end of June.

Moreover, ACEC confirmed that contacts had been made with potential partners for other divisions of the company but that no "concrete propositions" had yet been made.

The first step of the new ACEC strategy will be to turn the business into a holding company with five separate divisions. These will be electromechanical; transport;

tromechanical: transport: industrial controls; space, defence and telecommunica-

tions; and turbopower systems. The first two divisions, which include ACEC's nuclear energy activities and subway projects, are the subject of the deal with Alsthom.

ACEC's statement pointed out that the European Community's policy of opening up public markets in energy, transport and telecommunica-

public markets in energy, transport and telecommunications had already haspired major the ups between leading companies in these sectors.

He specifically cited tha examples of Asea Brown Boveri, Westinghouse and AEG (in transport) and Westinghouse and Siemens (in automation). An official spokesman for the group said the board had decided that its activities were too diversified to find a single partner — hence the decision to split it into five purts.

ACEC's financial problems were illustrated earlier this

the end of June.

subsidiary

Alsthom

agree to

Commercial ties with China are flourishing, reports Andrew Whitley in Jerusalem

Israel exploits its clandestine link

ISRAELI PROTESTS over the sale of Chinese ballistic missiles to Saudi Arabia, coupled with threats to destroy the missiles unless they are removed, are rich in ironies. For the Jewish state has covertly become probably the most important source of technological support for the fast-grow-ing Chinese arms industry.

The absence of diplomatic rela-tions between the two countries has been no bar to an export business that some press reports speculate has been worth several billion dollars to Israel over the past decade, in completed or promised orders. The lion's share of these revenues is believed to have come from defence-related

According to Israelis familiar with a trade about which none are willing to talk openly for fear of upsetting Chinese sensibilities, nearly 100 joint ventures with China are under negotiation, from agriculture to textiles and chemicals. The Chinese are said to be particularly anxious to benefit from Israel's scientific exper-

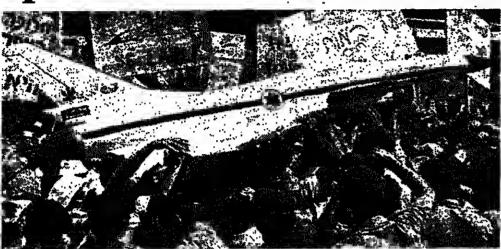
The two countries were on the point of establishing diplomatic relations in the 1950s but, under US pressure, Israel pulled back from links with a Communist

For years business was con-ucted almost exclusively ducted almost exclusively through third parties based in Hong Kong, Singapore and West-ern Europe. Dummy companies and "cut-outs" would be set up to handle the paperwork, and Jews with foreign passports would be

used to travel to China for meet-ings with government officials. There has still been no official acknowledgement by the Chinese Government of the well-recorded fact that hundreds of Israeli technicians are working in China at any given moment. But the clan-destine relationship is slowly coming into the open. Last June, the Foreign Ministry in Jerusa-lem publicly admitted for the first time that commercial ties with the Communist giant were flourishing. Trial imports of Chinese steam coal have begun, fol-lowing a meeting in Paris between Mr Moshe Shahal, Israel's Energy Minister, and a senior Chinese official.

Direct telephone links, set up without any fanfare two years ago, have done a great deal to ease contacts and reduce the need for the Hong Kong offices of Israeli trading companies such as

Among those who played a large role in getting the trade going are Mr Shaul Eisenberg, a multimillionaire whose speciality



Israeli aircraft workers protest (above) at the scrapping of the Lavi jet fighter project. Now western arms experts believe China may be developing its own version. Chinese forces (right) prepare to test-fire a Silkworm mis-



mercial lawyer, who has set up many of the civilian joint ventures. In 1979, in a celebrated break with normal practice, Mr Eisenberg secretly flew a group of top Israeli executives into Peking in his private jet, to lay

The response on the military side was gratifying. Israel's strength was the revamping and modernising of outdated weapons systems - retrofits and upgrades, in the jargon - and it h oped extensive experience of Soviet weaponry captured in its 1973 and 1962-65 wars; strengths that dovetailed neatly with the needs of the People's Liberation

An early contract, subsequently expanded, was for the upgrading of China's Soviet-made T-69 tanks with a 105mm gun, originally manufactured by the state-owned Israel Military Industries (IMI) organisation under licence from the British Royal Ordnance Factory. Ordnance Factory.

Later additions to the Chinese tanks are believed to have included night-fighting devices, laser sights, fire-control systems and possibly, new add-on armour protection. The provision by Israsl of tungsten-headed, armour-piercing shells capable of penetrating the frontal armour of Soviet T-72 tanks completed the

have sold to the Chinese armed forces a 6mm hyper-velocity gun suitable for mounting on armoured vehicles, or for towing.

Details of contracts that other companies such as Tadiran, a leading defence electronics concern, and Israel Aircraft Industries (IAI), a multi-faceted conglomerate, have reputedly won in China are hard to establish. But Western defence experts believe China may be developing a new combat aircraft hased on the cam-

Not everything has been plain salling, as was revealed last summer when IMI threatened to take ve legal action against Norinco, the giant Chinese arms maker, for an as alleged infringement of Israeli r copyright on their well-known y Uzi submachine gun. Ironically, Norinco is Israel's principal particular in the defence sector.

Despite regular, low-key contacts at the Uzi submachine low-key contacts at the Uzi submachine contacts at the Uzi submachine are sector.

combat aircraft based on the can-celled Israeli Lavi, for which with Peking, said that it could state-owned IAI was the contrac-

take five to seven years before the Chinese began to think about establishing any formal ties. Rather than any dramatic breakthrough in the near future, the likelihood is that Israel's ties with China will develop in much the same way as they did wifth recently delivered to Saudi Arabia.

Not everything has been plain take five to seven years before the Chinese began to think about establishing any formal ties. Rather than any dramatic breakthrough in the near future, the likelihood is that Israel's ties with China will develop in much the same way as they did wiffina under the Shah in the 1970s. There, also in the absence of diplomatic relations, the precedent was established of a trade legstion with independent powers

Norinco is Israel's principal part-ner in the defence sector.

Despite regular, low-key con-tacts at the United Nations and in Western European capitals

tomer. And, if negotiations on large-scale coal imports from China for energy-starved Israel are successfully concluded, the symmetry will be complete.

ACEC's financial problems were illustrated earlier this week when the group announced unconsolidated losses, including restructuring costs, of BF590m (\$17m) on turnover of EF10.66bm.

The company suffers from a poor financial structure and overmanning, notably at its factories in Charleroi, a problem compounded by the strength of the French-speaking Socialist party in the area. Mr Jean-Pierre Desgeorges, the Alsthom chairman, conthe Alsthom chairman, con-firmed last night that the CGE-controlled French heavy engineering group was plan-ning to acquire a majority stake in the railway and energy-generating activities of ACEC.

But he said that no defini-tive agreement had yet been reached. The ACEC businesses to be acquired have annual sales of about FFr700m (\$124m). Aisthom, with annual sales of FFr22.7bn, is one of the world's leading power-gen-erating equipment groups and the world's higgest producer of

railway equipment.
Mr Desgeorges said the pro-posed deal with ACEC was part of Alsthom's strategy to expand internationally through commercial and industrial agreements with

other partners.

At the same time, he said,
Alsthom remained alert over
the possibility of a major alliance with other heavy engineering groups, especially in

neering groups, especially in Europe.
Alsthom, which reported net profits of FFr455m last year has, like other big engineering groups, sought international partnership deals following the merger last year of Asea of Sweden with the Swice Recogn Sweden with the Swiss Brown Boveri group.

THE LEX COLUMN

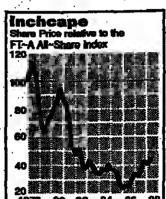
Giving the market too much credit

There was something self-defeating in the foreign exchange market's reaction to yesterday's appalling bank lending figures. The argument went that private sector credit growth of £4hn or so a month must rule out lower base rates, at least for the moment. Yet sterling's glddy response has merely increased the chances of a cut in rates. If response has merely increased the chances of a cut in rates, if not at DMS.16, then this side of DMS.20. All this must be highly confusing to those who still watch the real economy: a year ago excessive bank lending was a signal to sell sterling on the basis of damage to the halance of payments; now all that matters is how the numbers affect the Government's policy muddle of tryernment's policy muddle of try-ing simultaneously to control inflation and exchange rates. Meanwhile, there is no excuse for the sheer scale of the lending

manufacturing sectors, The market might do well to remember what happened in the early 1970s, the last time that the nation was borrowing to support property and financial markets,

Institutional cash

Yesterday's statistics for UK institutional cash flow in the chear in the fourth quarter they piled into cash. The insurance price relative back to when companies chose the fourth quarter to make almost half of their ter to make almost half of their terms on the whins of the global dense of the global d performance measurement harms performance.



have a worrying implication for the market overall. While the institutions dramped \$5.7bn worth Meanwhile, there is no excuse institutious dumped £5.7bn worth for the sheer scale of the lending of foreign shares in the fourth cape.

In the sheer scale of the lending of foreign shares in the fourth cape.

It was all very well for the apart regardless. But then, much the sheet of the crash, for BP, Blue already risen by a third from the cheeky given its recent promotion of M4, which includes building society deposits). In fact, it is soon only mortgages that are risease of the crash promotion of M4, which includes building society deposits). In fact, it is soon in the quarter, which after not only mortgages that are risease of the lending of foreign shares in the fourth cape.

Securities firms

Arrow and the rest. Such calls for their post-crash lows, and those of Nomura have jumped by almost 80 per cent. The latest portfills are given back in cash takeovers comes to biggest and most profitable securities.

with cash. There is a fine line between fund managers finding high cash holdings soothing or worrying, and if present volume in the equity market is a guide, they still lean to the former.

Inchcane

When the market gets worried, it gets particularly worried about fourth quarter bring out one incheape, its shares underperather depressing contrast, Pension funds charged expensively quarter in the crash, and even into equities in the first three quarters, and when equities were response to a 35 per cent increase cheap in the fourth quarter they miled into each The increase in profits, only brought the

This will have much to do with consumer: with half its profits out on Wall Street. But despite the fact that pension finds are coming from motor vehicle sales the recovery in its profitability, it scrutinised on a quarterly basis, and services, and a large or the recovery in its profitability, it is companies not. Yet again, of the rest from the expert-order earning only half as much as

cies of Inchcape's colonial past are behind it, the prospects for continued rapid growth are only as good or as bad as the world macroeconomic outlook. Last year this worked to the company's advantage — though the benefits of vastly improved cash management cannot be gainsaid — but this year is anybody's

guess.

If one expects a \$1.90 pound, a downturn in the so-far buoyant Enropean car market and singgish American growth in 1988. then a prospective p/e of around nine is no more than is merited. But as forecasters chase a US
recession further and further into
the future, and European car
sales refuse to turn down as
quickly as expected, 1988 looks a
better and better year for Inch-

ing rapidly, and even if it were, mortgage lending is inflationary too. Neither can the numbers be excused as a monthly aberration; indeed, they will probably get even worse as the Budget's changes to mortgages and tax rates come into effect.

More worrying still is the composition of the lending, which seems heavily skewed towards the financial rather, than the market is about the historic average, it profits from two of the world's pieces that are risalled in the financial rather, which after almost 80 per cent. The lates profits from two of the world's pieces to mortgage and most profits from two of the world's pieces that are risalled in the lending profits from two of the world's pieces that are risalled in the lending profits from two of the world's pieces that are risalled in the lending profits from two of the world's pieces that are risalled in the lending pieces.

All most 80 per cent. The lates profits from two of the world's pieces that are risalled in the cash takeovers comes to pieces the first from two of the world's pieces that are risalled in the lending pieces.

The cash content of institutions put scarcely any discretionary money into the market first firms give further evidence of how surprisingly well the global industry is coping with the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also another sign that the decline in trading volumes. They are also anothe petitors, which have yet to find profitable niches to pay for the inflated overheads they inherited from a five year old bull market. A one-fifth drop in Nomura's pre-tax profits for the six months to the end of March is a creditable performance, given that its brokerage commissions fell by a third, and along with Daiwa it is continuing to pull ahead of Yamaichi and Nikko, the smaller of the Japanese Big Four. Mean-while, Salomon has reversed nine Inchcape. Its shares underperformed the All-Share index by a quarter in the crash, and even yesterday's 19p rise to 738p, in response to a 35 per cent increase in profits, only brought the profits, only brought the profits back to where it was before October.

Was before October.

Inchcape. Its shares underperformed in the same in its first quarter net income, to \$173m. This is more than twice as much as US rivals like Merrill Lynch or Shearson. Lehman Brothers enred in the same quarter, and is evidence that after a rather chaky period. Salomon is reshaky period, Salomon is reemerging as one of the obvious ne fact that pension times are considered on a quarterly basis, and services, and a large chunk is worth noting that it is still ife companies not. Yet again, of the rest from the export-orienterformance measurement harms tated economies of the Far Fast, performance.

On the face of it, the statistics close eye on the company. For the recovery in its profitability, it is worth noting that it is still earning only half as much as Nomura on a similar revenue base, and increasingly this will be its major competitor.

This announcement appears as a matter of record only



U.S.\$200,000,000 Multi-Currency Revolving Credit Facility

Arrangers

Bank of Montreal Capital Markets Limited Harris Trust and Savings Bank

Managers

Bank of Montreal

Harris Trust and Savings Bank

Australia and New Zealand Banking Group Limited

Bankers Trust Company Barclays Bank plc

Commerzbank Aktiengesellschaft The First National Bank of Chicago The Mitsubishi Bank, Limited

Bilbao International Finance, Ltd.

Banque Nationale de Paris Citibank, N.A.

Dresdner Bank AG Midland Bank plc

The Toronto-Dominion Bank

Den Danske Bank

March 1988

Grotesque Gulf tourist attraction of Fao

the Iranians were never able to capitalise on that in practice. Possession of a foothold on Fao

also gave the Iranians moch pro-paganda mileage. In addition to sandbagged subterranean military command centres they set up political operations on the peninsuls, including the purported headquarters of the Supreme Islamic Council of Iraq, as a sort of government-in-exile headed by a dissident Iraqi Shia cleric, Mohammad Bakr al-Hakim. Although the Iraqi popula-tion of Fao was evacuated soon after the Gulf War began in 1980.

WORLD WEATHER

enemy.

But by yesterday, there was no other human trace of the Irania counter-offensive and the pensistent boom of shell- Iranians had run down their forces in the peninsula in recent carriers processed along the rut- months, perhaps redeploying the rut- marshland between the broken washing out on the line or took Iranian earthworks and barbed an imprompth bath line or took wire. There were women's underwear Ever conscious of the rotation duty in the Gulf next relatives contents to say if Wash-

clothes, scattered pathetically along the roadside. There were

his chest emblazoned with a death's head and a Star of David, being led in chains by Uncle Sam towards fram: thus encapsulating most of the themes of Iran's pro-paganda against its mortal

dozed away from the scorching

against Kuwait. It provided a bridgehead from which Iran had the potential to enhance its threat to Basra, Iraq's second city only 60 miles away — although the Iranians were never able to capitalise on that in practice.

Possession of a footbold on Fao

are everywhere apparent in the remnants of Iranian soldiers' uniforms, the odd helmet, gas mask or solitary boot.

But the corpses, from a battle which the Iraqis maintain claimed heavy Iranian casualities, which the Iraqis maintain claimed heavy Iranian casualities, laid of the peninsula.

the perinsula.

Despite Iraqi claims that they had confronted "two or three" iranian divisions on Sunday and The Iraqi forces now seem in Iranian divisions on Sunday and relaxed mood despite the threat Monday, there was strong cirof an Iranian counter-offensive cumstantial evidence that the

television cameras, some staged week, but refused to say if Wash-theatrical desecration of the Ira-ington is increasing its flect. Reagan warns Moscow

Continued from Page 1 siles and mobile land-based missiles.

Soviet officials have blamed to dominate the US-Soviet diathe US for dragging its feet on the whole issue of how to verify of the Soviet-American relationship of the Soviet of t such a partial arms reduction, but Mr Charles Redman, the US State Department spokesman, insisted yesterday that Mr Shultz had come to Moscow to make

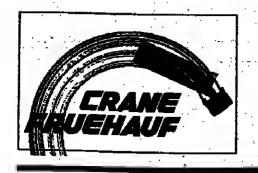
"every effort to make all possible progress by the summit.
Significantly, Mr Reagan made only passing reference to arms only passing reference to arms Moscow and the prospect of an control in his speech, and then agreement at the May summit his comments contained no new has been evident in official briefideas - only a reassurance to his, ings to reporters.

ship all too often semed to rest on one issue - arms control, a plank not sturdy enough to bear the whole platform of Soviet-American relations", he said.

The Administration's discomfort over right-wing opposition to its arms control talks with

Comp

HI Inp



SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Friday April 22 1988



GM profits reach \$1.1bn on strong car performance

SENERAL MOTORS, the world's biggest motor manufacturer, appeared to suffer a setback in the first quarter, despite the car division reporting higher net profits of \$967m, or \$2.11 for each common share. Although that year-earlier automotive profits were originally reported as \$834m or \$2.62, there was a change in inventory accounting introduced in the third quarter.

After adjusting for this accounting adjustment was included.

A large part of the underlying deterioration in the automotive business's performance was due to lower profits from GM Acceptage.

Retail sales of GM cars in the

counting difference, comparasecondary difference, compara-ble 1987 profits would have been \$622m or \$3.26 a share, implying an earnings decline of 4 per cent. Meanwhile, the first-quarter earnings attributable to GM's Electronic Data Systems unit rose 30 per cent, to \$36.8m or 73 cents for each special GM-E

to lower profits from GM Acceptance Corporation, the company's financing arm. GMAC's first-quarter earnings fell to \$124m from \$354m, as a result of lower GM's share of the US car market interest margins in the increase. to lower profits from GM Accep-

interest margins in the increasing improved to 37.5 per cent, from ingly competitive auto-financing 33.4 per cent. Overseas sales of cars and trucks combined jumped. GM's sales of vehicles to deal- 15.5 per cent to 545,000 units.

Schlumberger spurts to \$101m

ट्या धंड जिल

SCHLUMBERGER, the leading \$101m or 37 cents a share, against US oilfield services company, yes terday reported a sharp improve first three months of 1987. Revenue to according to Mr Euan Baird, ment in earnings for the first nues improved 18 per cent to Schlumberger's chairman. quarter, largely because of a \$1.3bm moderate recovery in drilling

The once high-flying group, which is struggling with a deep recession in its wireline or electronic olifield logging business, was helped by good demand for its measurement and control

North American oil and gas exploration, which collapsed with the fall in oil prices two years ago, has picked up from its rock bottom last summer. Schlumberger réported a 61 per cent increase in North American wirestems outside the oil industry. line revenues from the devas-

Schlumberger's non-oilfield business increased revenues by 18 per cent to \$588m, with part of the rise attributable to Neptune, a water meter maker acquired last year. Schlumberger Indus-tries, which specialises in elec-tronics and metering, reported ystems outside the oil industry. line revenues from the devas-First-quarter earnings were tated levels of first-quarter 1987. orders, Mr Baird said.

AMR income soars to \$68.4m

BY OUR NEW YORK STAFF

AMR trebled its profits in the first quarter, due to sharply busier traffic and higher fares at . American Airlines, its main oper-ating subsidiary, which is a lead-

months ended March 31 were revenues.

\$68.4m_or \$1.12.a share, against The company acknowledged \$19.9m or \$4 death a year earlier. that its "frequent filer" pro-Revenues increased 40 per cent. to gramme was one stimulant to \$1.97bn from \$1.51bin, reflecting traffic. Along with other airlines, more flights, higher load factors it required programme members and better yields in terms of revenues.

chairman, said: "Market conditions were a positive factor for strong earnings. Normally the first quarter is a period of weak-traffic and rather broad discounting US carrier.

Net profits for the three months ended March 31 were revenues.

mus per passenger mile.

Mr Robert Crandall, AMR's year-long bonuses.

Although its growth in capacity was curried by delays in the delivery of new aircraft, available delivery of new aircraft, available passenger seat miles still rose 20.2 per cent to 28.5bn in the quarter. Its load factor edged up 0.7 of a percentage point to 62.7 per cent, while its break-even passenger load factor eased by 6.8 of a point to 57.2 per cent.

Operating expenses per seat mile increased 5.5 per cent to 7.65 cents. The sirline said it experienced, however; some favourable

enced, however; some favourable trends on costs, and productivity rose sharply.

Tandy in challenge to IBM

tronics manufacturer and retailer, has launched a highperformance personal com-puter that "clones" IBM's Per-

puter that "clones" lish's Personal System/2 computers, dubbed the "clone killers" at their launch a year ago.

Tandy is the first computer company to bring a PS/2 clone to market, although earlier this week Dell Computer, another Texas personal com-puter company, said that it had developed PS/2 clones that would be available later this

Ever since IBM's introduc-tion of the PS/2, competitors have been seeking ways to emulate the new IBM comput-

1 2 4 67

ers.

Unlike previous IBM personal computers, that are widely choned, the PS/2 contains proprietary technology creating a berrier to closing.

Recently, however, IBM indicated that it might be willing to license others to use its patented technology in return for royalty payments ranging from 1 to 5 per cent of sales.

The computer giant warned,

The computer giant warned, however, that such licenses would not necessarily cover clements of its technology for which copyright applications have been filed.

In a statement prepared jointly by Tandy and IBM, Tandy said yesterday that its new personal computer was covered by an existing patent licence agreement with IBM.

Tandy went on to say, how-ever, that "IBM has informed us that PS/2 patents to be issued to IBM in the future are not licensed and will be the subject of future licensing

negotiations.

The new Tandy 5000 incorporates high-speed memory features, advanced graphics and IBM Micro Channel type architecture. Prices range from \$4,999 for a base system without a hard drive to \$6,989 for a system including an 84-

megahyte diec drive.

The Tandy 5000 will be available in limited quantities to major customers in June, and in volume quantities in the third guarder, Tandy said.

Compaq doubles sales on boom in PC exports

compaq computer man-us-based personal computer man-ufacturer riding the wave of a boom in US exports of high-per-formance personal computers, more than doubled its first-quar-ter sales and earnings, the com-pany reported yesterday. First-quarter sales were \$439m,

more than twice the \$211m sales for the same period last year.

Net income for the quarter rose 132 per cent to \$47m or \$1.21 per share, from \$20m or 56 cents in the first quarter of 1987.

Compan's gains mirror those of Apple Computer, which earlier this week reported a 135 per cent

COMPAQ COMPUTER, the Tex-increase in earnings, also based as-based personal computer man-largely on increased interna-

tional sales.
Compaq attributed its sales growth to a combination of increasing export sales as well as strong sales of its higher-priced high-performance personal com-

Dana revenues hit record

DANA CORPORATION, the large, gim, although comparison with US automotive components manufacturer, announced a 23 per cult because of a change in cent gain in first-quarter revenues, based largely on a large rise in foreign orders, assisted by reported first-quarter net income of \$31m or 69 cents a share. This income has now been restated as record \$1.23bn, with international \$346.1m or \$1.03, but the change sales accounting for 24 per cent includes the cumulative effect of deferred tax benefits from all previous years.

were 43 per cent up on the year before, Dana said.

vious years. Mr Gerald Mitchell, Dana's The company's net income of chairman, said he expected sec-25.1m or 86 cents a share, ond-quarter sales to be comparaadvanced by about the same mar- ble to the record first quarter.

Record quarter for RJR **Nabisco**

By Roderick Oram In New York

RJR NABISCO has reported record first-quarter earnings, with the help of a strong per-formance from its food busi-nesses and to a lesser extent its worldwide tobacco operations.

Net profits for the three months ended March 31 rose 27 per cent to \$269m or \$1.09 a share, from \$212m or 38 cents a share. Sales grew 8.7 per cent to \$3.79bn, from \$3.49bn.

Consolidated operating income was \$527m, up 6.3 per cent before beavy restructuring costs in the year-earlier

A gain in the latest quarter from the sale of its Heublein subsidiary was offset by costs of further restructuring and early debt redemption.

Food operations, which included some of the leading packaged food brands in the country, turned in an 11 per cent increase in operating income to more than \$205m in the latest period. Sales grew 7.4 per cent to \$2.3bn.

A gain from the sale of some confectionery operations was offset by accounting changes. RJR Nabisco said some of its best-performing products in the quarter included US Biscuits, international foods in general, Life Saver candy and Del

Income from worldwide tobacco operations rose 1.3 per cent to \$384m on sales ahead 10.7 per cent at \$1.5bn. In the US, higher prices and increased productivity more than offset lower unit volume. An RJR programme to realign trade inventories caused the fall in

volume. Tobacco results abroad were boosted by strong volume growth and favourable pricing and foreign exchange trends.

Murdoch to sell Boston TV station

MR RUPERT MURDOCH'S News Corporation announced yesterday it planned to sell its Boston television station WFXT. The decision has been taken despite a recent Court of Appeals ruling overturning the Kennedy-Hollings Amendment prohibiting ownership of televi-sion stations and newspapers

in the same market. Mr Murdoch owns the Bos-ton Herald newspaper.

Following the Court of Appeals ruling, Mr Murdoch would have been free to go to the Federal Communications Commission and ask for a waiver of cross-ownership rules, which would have allowed him to hold both the

newspaper and the station. Mr Murdoch decided, however, that the uncertainty sur-rounding the television sta-tion's future was damaging its economic prospects. If a waiver was eventually denied it would have resulted in a forced sale.

A spokesman said yesterday that there were potential pur-chasers for WFXT, but declined to identify them.

WFXT is one of seven com-mercial television stations in the Boston area and comes close to bottom in terms of rat-

In New York, where the same issue was raised, Mr Mur-doch came to the opposite decision — to sell the New York Post and keep his television

Setback for Anglo American

RECOVERY from the effects of last August's three-week strike by South African black miners, helped some of the mines managed by the Anglo American group to mitigate the problems of lower rand gold prices in this year's March quarter. Nonetheless, results mirrored those of most other mining

houses, with lower pre-tax profits despite an overall increase in gold production. gold production.

Three of the group's gold production units — Elandsrand, Ergo and Freegold — have warned of the adverse effect of the Minimum Tax on Companies (MTC) announced in the March budget.

Elandsrand expects to pay an additional R24m (\$11.2m).

Western Deep Levels, whose underground workings were badly damaged by the stoppage, lifted its mill throughput and bearheid division.

ANGLO AMERICAN GOLD QUARTERLIES

Mar 85 Dec 87 Mar 88 Dec 87 3,097 3,107 3,005 2,836 42.50 28.15 44.87 24.08 94.90 60.2 2.15 13.0 24,475 24,384 194.90 SA Land Vaal Reefs 389 18,861 8,836 1,34 125,80 79,00 17.796 8.267

Salomon resists trend with 16% advance

SALOMON, the large New York investment house, managed to rasists the trend of deteriorating results on Wall Street, reporting a 16 per cent improvement in net profits.

The higher profits came despite declining revenues and a flat overall performance from the Salomon Brothers broker-dealer unit.

Salomon sarmed \$178m or \$1.13 per fully diluted common

share, compared with \$149m or 96 cents in the first quarter of 1887. The group's total revenues declined 6 per cent to \$1.612bn. Salomon Brothers' revenues accounted for \$1.433bn of this, 10 per cent down on the salomon of the salo down on the year-earlier fig-ure. The remainder of Salomon's business is derived from the Philipp Brothers commod-ity brokerage, Phibro Energy and Salomon Commercial

Pre-tax earnings from the Salomon Brothers broker-dealer unit were \$258m, 2 per cent up on the year before, while Salomon Commercial Finance showed a 25 per cent improvement to \$45m, Philips Energy advanced 12 per cent to \$27m and Philips Brothers increased its earnings five-fold to \$15m.

At Salomon Brothers, reve-

nues from net interest and dividends and principal transac-tions declined 5 per cent to \$468m, while investment bank-ing revenues rose 31 per cent-to \$146m. Commissions increased by 7 per cent to \$58m. Salomon Brothers' com pensation costs fell 4 per cent to \$271m, but other non-inter-est expenses jumped by 16 per cent to \$148m.

American Express profits rise \$1m

BY JAMES BUCHAN IN NEW YORK

sified financial services group, yesierday reported flat first-quarter earnings because aluggish profits from investment banking and international lending beld back a surge in its celebrated charge card justiness.

The New York-based group reported earnings of \$265m or 62 cents a share, against \$265m in the same period last year.

But in last year's quarter, Charge card business rose a American Express enjoyed tax strong 20 per cent to \$20.1hn and benefits of \$49m, which gave a sales of travellers' cheques rose

AMERICAN EXPRESS, the diversified financial services group, share.

AMERICAN EXPRESS, the diversified financial services group, share.

BS Financial Services, which attempting to retreat from its provides insurance, investment entanglement with Third World by the provides and fund management, borrowers, suffered a fall in prof-\$4.15hm to \$5.37hm, although two-thirds of the increase came from the acquisition of E.F. Hutton by Shearson Lehman, the big retail

> services, where earnings rose 18 per cent to \$171m and rever climbed 17 per cent to \$1.6bm. Charge card business rose a

enjoyed a 19 per cent increase in arnings to \$31m.
But Shearson Lehman, the

brokerage firm.

The best performance came in E.F. Hntton in December, the group's core travel-related reported essentially unchanged earnings. American Express, which sold nearly a third of the company last year, saw its share of these earnings fall from \$78.5m

The 1987 figures were flattered by \$19m in tax benefits, but the fall also reflected higher operating expenses expressed in a weaker dollar.

New credit provisions mean

the bank has now made provi-sions against 64 per cent of its to \$52.5m. Third World
American Express Bank, the Express said. Third World loans, American

First-quarter earnings up 15% at Dun & Bradstreet

BY OUR NEW YORK STAFF

DUN & BRADSTREET, the world's higgest business informa-tion and market research company, reported net income of \$114m or 70 cents a share in the first quarter, up 15 per cent on last year's \$98m or 65 cents. Oper-ating revenues increased 6.5 per cent to a record \$880m.

D&B said it expected double

digit revenue growth for the rest of the year from its present wide range of businesses, which include the Nielsen market research and media ratings operations, Donnelley trade direc-tories and Moody's Investors Ser-

in addition, the company has recently announced two big acquisitions which will accelerate its growth from the current quarter onwards.

In February it signed an agree-ment to take over IMS Interna-tional, a medical information business, for D&B stock worth nearly \$1.50n. Completion of the merger is likely to be approved by shareholders of both compa-

nies in May.
In addition, on March 31, D&B acquired Renactive Data Corpora-tion, a securities information ser-vices, from Chase Manhattan for

Growth in US operations boosts Alcan's profits

BY ROBERT GIBBENS IN MONTREAL

ALCAN ALUMINIUM has folwith a very strong first quarter, tonnes a year earlier, and of fab-Net profit rose to US\$175m or ricated products 356,000 tonnes, \$1.05 a share, from \$71m or 39 against \$27,000 tonnes. March 31 and operating revenues were cent from a year earlier. \$1.9hm, up from \$1.5hm. Our financial staff add

posted a 60 per cent gain in operating earnings. European conduction at nearly capacity.

production at nearly capacity.

production at nearly capacity.

First quarter earnings were a record, he said, at \$70.1m or \$1.32

semi-fabricated products.

Shipments of ingot were lowed up its record 1967 results 200,000 tonnes, against 192,000 cents a share a year earlier. Sales inventories were down 13 per

Our financial staff adds: Reyn-Tha North American olds Metals, the US's second-largest aluminium producer, is post tioned for a record 1988, with

earnings was due to stable costs a share, up from \$25.9m or 48 in the face of strong international cents a year ago, on revenues of demand and higher prices for \$1.18bn, up 24.6 per cent from \$943.8m a year earlier.

This announcement apperars as a matter of record only

Huaneng International Power Development Corporation

Beijing, People's Republic of China

US-\$ 50,000,000

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April 1988

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INTERNATIONAL COMPANIES AND FINANCE

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Management skills. lorgen Grendell Unit Trust Managers Ltd.

Alcatel to streamline industrial

base further

ALCATEL, THE telecommunications group formed by the merger of the telecommunications businesses of ITT of the US and CGE of France, plans to continue to streamline its induction has

The company said yesterday
it was certain it had a special
role to play in Europe, where
the task of creating an integrated communications mar-ket is an essential element of the economic and financial unification which is scheduled for 1992. Alcatel confirmed that not

profits had risen to Ecu346m (\$429m) in 1967 on turnover of (\$423m) in 1357 on turnover or Ecull.5m. The company said profits had been about 50 per cent ahead of internal budgets. The Dutch-based multina-tional, which has its headquar-ters in Brussels, was addressters in Brussels, was address-ing its first general shareholders' meeting. Mr Pierre Suard, Alcatel's

French chairman, said that by achieving sales of more than \$13bn and a net income of \$400m the company "had positioned itself as the world's leading telecommunications

hir Suard also said that in 1967 the company had comfort-shly achieved a net income of 2 per cent of sales. Alcatel encompanes public

network systems, transmis-sions, business systems and cable activities. It employs 137,400 people from a manufacturing base spread over 110 countries, 21 of which are

countries, 21 or water are European.

A sales breakdown shows a spread of 22 per cent in public network systems, 21 per cent in cables, 22 per cent in tent-ness systems, 14 per cent in transmissions and 19 per cent in what is termed "other activ-ities," which include consumer products and components.

David Lane on an Italian bank's bid for 45 per cent of Irving Trust

BCI strolls down Wall Street

iana's overtures to Irving Trust, white knight to combat the the New York bank, have taken a unwelcome attentions of the fair amount of breath away in Bank of New York. fair amount of breath away in Italian financial circles this

Only last month BCI, Italy's biggest state bank, revealed it had completed the disposal of the Long Island Trust Corporation (Litco) to the Bank of New York. The suggestion was that it had undertaken a significant re-appraisal of its US presence.

The quick return to the New York stage was therefore doubly

The announcement of Litco's sale was made a year ago when a first block of 26 per cent of its capital changed hands. With the completion of the deal, BCI has received \$317m against an outlay of \$116m made when acquiring the Long Island bank six years

in its most recent annual accounts, BCI said the disposal of Litco was due to changes in US banking regulations which had modified the operating framework within which the original investment had been decided. The bank said it wanted to place greater emphasis on impovative activities in international finan-

cial markets.

Resentially BCI had simply lost interest in a small local retail bank in which substantial invest-ment would have been needed in

into new operations.

It is ironic though that the hid

The resources which BCI obtained through the sale of Litto are now earmsrked for deployment against Litto's new parent in a contest for Irving Trust, with BCI offering to take a 45 per cent stake in the US bank. There is talk at BCFs Milan

head offices that the offer to Irv-ing Trust is a sign of nostalgia for a US position, lost when Litco was sold. But rather than nostalgia, a more convincing reason for BCPs interest lies in the person of Mr Enrico Braggiotti, the

bank's managing director.

Mr Braggiotti is widely considered a thruster, an aggressive and determined banker with a marked personal preference for the excitement of the international arena and cornerate banking. It is generally thought that Mr Braggiotti, whose looks and energy belie his 65 years, is less interested in the more mundane work associated with retail bank-

ing in Italy.

Tipped to take over BCI's chairmanship when Mr Francesco Cingsno moves to Mediobanca, Mr Braggiotti is neverthe less expected to keep hands on the executive levers, particularly those which direct international

Mr Mario Arcari, BCFs foreign general manager, stresses that the attempt to win control over



fased with BCI's overall international strategy, of which a key part is the emphasis being placed on developing the European net-

Authorisation has recently been received for a representa-tive office in Amsterdam and for upgrading the Frankfurt office to At present, BCI's European

operations are based on a group of banking affiliates - including dameris in France and Banque Européenne de Credit in Belgium - and nine representa-

France, Germany and Spain by 1992. BCT's presence in London, where it currently has a branch and a capital markets operation, will be strengthened.

With L68,268bn (\$53.6bn) of total assets at the end of 1987 and commanding second place behind Henca Nazionale del Lavoro in Italy's banking league, BCI has sometimes given the impression of being a rather slothful and shupher ministrant.

But in making the bid for Irv-ing Trust, BCI finds itself along-side the dynamic representatives of internationally-aware Italian corporations, like Mr Cario De Benedetti's CIR and Mr Raul Gar-

Last year the bank's profits were flat with gross earnings amounting to L727bm, or 2.2 per cent less than 1966.

Absorption of the accumulated losses of Alfa Romeo, the former IRI subsidiary, produced fiscal benefits, allowing the bank to absorb losses on share its portfolio and show an increase of 8.0 per cent in net profit to L314bn.

However, the Irving Trust deal does not hinge on BCI's internal cash flow. In addition to the funds generated by last year's Litto sale, BCI should benefit this year from the reduction of its holding in Mediobanca, an operation from which it ought to realise more than L400bu.

Cerus in Spanish acquisition

CERUS, THE European holding company headed by Mr Carlo De Benedetti, the Italian entrepreneur, has made its first big investment in Spain by buying, through its Spanish investment through its Spanish investment big shareholders are Banco de Bilbos and Constructiones y Control of Carlos and C

The operation, by way of a cap-ital increase for Pascual Herma-. nos, is understood to have cost about Pts3.2hm (\$29.9m), and has investment company in which

withdraws from

Mondadori race

MR CARLO De Benedetti, the

By John Wyles In Rome

investment in Spain by buying, in the money markets. Its other through its Spanish investment big shareholders are Banco de arm, 21.5 per cent of Pascual Hermanos, the country's leading exporter of citrus products.

The constitution has been of a remainder.

C&C's owners, two cousins nicknamed the "Alberton" by the

tral, Spain's biggest bank.
Pascual Hermanos, a Valencia-based family company, expects to turn over about Pta40bn in the year to June, w ne, with after-tax prof-

The company has its own European distribution network. It will continue to be led by one of the founding Pascual brothers, Mr. Jose Maria Pascual, and is being micknamed the "Albertos" by the Spanish affiliate Spanish press, jointly own, with the Kuwait Investment Office, listing on Spanish stock markets.

Net earnings at Air France soar by 117% By Our Paris Staff

AIR FRANCE, the French national airline, has reported a 117 per cent increase in net group earnings, excluding minority interests, to FFr1.22bn (\$216.3m) for 1987, on a 6.5 per cent rise in group revenue to FFraz.8m. Apart from the airline, the Air France group includes the Meri-dien hotel chain and several air

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transport service activities.

Profits for the airline itself rose by 5.8 per cent to FF1716.6m, with passenger traffic increasing by 14.6 per cent. Freight was up 9.8 per cent and load factor averaged 89.5 per cent.

To help finance its fleet renewal programme, Air France is hoping to open up 15 per cent of its capital to private sharehold-

Vallourec slips

VALLOURIEC, THE French steel

This announcement appears as a matter of record only and is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus. De Benedetti

NEW ISSUE

\$100,000,000

PEFCO

Private Export Funding Corporation

8.55% Secured Notes, Series Z, Due May 31, 1993

The due and punctual payment of interest on the Notes is directly guaranteed by the Export-Import Bank of the United States, such guarantee being backed by the full faith and credit of the United States. Repayment of principal of the Notes is secured by the pledge with the Trustee under the Indenture of an equivalent principal amount of obligations backed by the full faith and credit of the United States, all of which obligations mature prior to the due date of the Notes.

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Bankers Trust Company

Dillon, Read & Co. Inc.

J. P. Morgan Securities Inc.

Salomon Brothers Inc.

Bank of America N.T & S.A. . Chase Manhattan Capital Markets Corporation

Chemical Bank . Continental Illinois National Bank and Trust Company of Chicago

First Interstate Capital Markets, Inc. First Chicago FBS Capital Markets Group • Harris Trust and Savings Bank

Manufacturers Hanover Trust Company . Marine Midland Securities, Inc.

NCNB National Bank . PNC Investment Co.

Security Pacific Merchant Bank . Southeast Bank, N.A.

April 7, 1988

Matra takes 15% stake in French telecoms group

and electronics group, has acquired for about FF1150m Italian entrepreneur, has with-drawn as a candidate for the presidency of Mondadori, Italy's

second biggest newspaper and publishing company, because of a deep rift between the principal abareholder groups. open with little likelihood that the controlling group, of winch Mr De Benedetti is part, will be able to heal the rift with the minority headed by Mr Leonardo

Bartier this week the two sides finished a meeting of the control-ling shareholders of Amef, the holding which controls 50.3 per cent of Mondadori, in a state of

open warfare.

As a result, the Amef group
will not be represented at Mondadori's sharebolders' meeting
which is scheduled to be held on

But Mr De Benedetti holds between 25 and 30 per cent of Mondadori's ordinary capital out-side of this group and is thus guaranteed the power to determine the make-up of the com-pany's board.

However, he has stipulated that he would only become presi-dent with the full support of all the company's main sharehold-

Essentially, the affair is a row between two groups led by descendants of the company's founders who are fighting to be the leading influence over its development. Mr De Benedetti is allied with the Formenton family

group.
His previous readiness to assume command of Mondadori has fuelled mounting concern in Italy about the increasing control which powerful industrialists are exerting over the media.

BY PAUL BETTS IN PARIS

(326 5m) a 15 per cent stake in Frence's SAT telecommunica equip

tions group.

The investment appears to be Ericson of Sweden and Matra part of Matra's efforts to finally won control of CGCT.

strengthen its interests in the SAT subsequently expressed telecommunications sector by interest in the telecommunica-

U.S. \$150,000,000

Floating Rate

Depositary Receipts Due 1992

BANCA NAZIONALE DELL'AGRICOLTURA

S.p.A. Notice is hereby given that for the interest Period 21 April 1988 to 21 October 1988 the Ratu of Interest

the Ages or unexturn.
is 7 %s per cent, per annum.
The Interest Amount psyable
on 21 October 1988
will be U.S.\$ 3,844.27 in respect

ent to payment of id interest on depo

MATRA, THE French defence graph (AT&T) when the US tele-and electronics; group, has communications group was seek-acquired for about FFT150m ing to gain control of CGCT, the French state-owned-telephone equipment manufacturer. How-

further into red

telecommunications sector by interest in the telecommunications sector by forging closer links with SAT, which has been seeking to mont-Schneider group, which increase its aise through international alliances.

Matra and SAT have long had close relations. SAT has been a supplier of components for Matra's missiles and other military activities and the two companies have complementary activities in the private telecommunications sector.

Last year SAT linked up with American Telephone and Tele
interest in the telecommunication sector, but the secton munication sector.

In the telecommunication proup, which of the sproup less of FFr452m (380.1m) for 1987, from a deficit of FFr402m the year before, Our Paris Staff writes.

The latest figures include FFr189m restructuring charges, compared with FFr126m in 1986. Turnover declined by 11 per cent to FFr5.5bn.

However, the company said a strong recovery could be expected first year. First-quarter 1988 sales are about 26 per cent higher.

SOUTH CHINA MORNING POST FINANCE LIMITED

The News Corporation Limited and its mejor subsidiery compenies

HK\$750,000,000

Bills of Exchange Facility

Westpec Benleing Corporation
Amstandam-Rotterdam Bank N.M.
The Bank of Nova Scotie
Bencleya Bank PLC
Gloops International Limited
Commonwealth Bank of Australia
Meautacturers Henover Asia Limited
Meautacturers Henover Asia Limited

22nd April 1988

Westpec Banking Corporation

Abril 1989

Eni International Bank Limited ECU 135,000,000

AMAX INTERNATIONAL FINANCE CORPORATION 161/4% US Dollar Guaranteed Notes of 1992 Due on April 1, 1992

remaining in circulation on March 31, 1988 was US\$59,370,000, Including US\$4,460,000 that has been purchased but not yet delivered to the Trustee for cancellation.

SWISS BANK CORPORATION INTERNATIONAL LIMITED **Purchase Agent**

NOTICE IS HEREEY GIVEN to holders of Notes of the above Issue that US\$6,980,000 was purchased in the twelve-month period ending March 31, 1988. The principal amount of Notes

Guaranteed Floating Rate Notes due 1992

Ente Nazionale Idrocarburi In accordance with the terms and conditions of the Notes, the rate of interest for the interest period April 22, 1988, to July 22, 1988 has been fixed at 61/16% per annum. Interest payable on July 22, 1988 will be ECU162.73 per Note of

ECU10,000. Morgan Guaranty Trust Company of New York London Branch

US \$60,000,000

Industrias Peñoles, S.A. de C.V.

Floating Rate Notes Due 1989 10% per annum

Interest Rate Interest Period

22nd July 1988 Interest Amount per U.S. \$10,000 Note due 22nd July 1988 U.S. \$252.78

Credit Soisse First Boston Limited Agent Bank

Thai flotation for Oriental Hotel stake

SHARES IN Bangkok's Oriental Hotel, regularly voted one of the world's best hotels, are to be

English language newspaper, to foreign purchases in Thai companies. Listing arrangements are due to be completed by June. made available in Thailand as

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well as through Hong Kong. Some 11 per cent of the renamed holding company, Oriental Hotel (Thailand), is being sold by the Italihai group, one of Thailand's largest construction com-panies, which at present holds a 41 per cent stake. The 3.6m shares are being sold at 125 baht each to raise 450m baht (\$18.2m). Hong Kong based Mandarin Oriental Hotels is also effectively reducing its 49 per cent stake to
44.9 per cent. A parcel of shares
is being placed internationally by
Jardine Fleming at the equivalent of US\$5.30 each.
Dr Chaiyudh Karnasuta's Ital-

that group has recently made a number of changes to its asset portfolio including the sale of its minority stake in Post Publishing, owner of Thalland's largest

pany, Italihai does not reveal details of its financial position but the company has won a series of important contracts, such as for new terminals at Bangkok's airport, and heads a short list of contractors for a new deep seaport on Thailand's east-

deep seaport on Thankin's easi-ern seaboard.

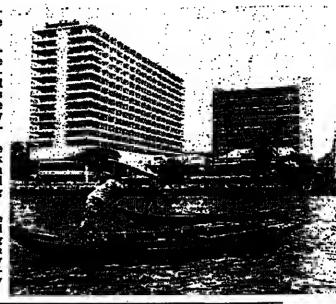
The Orienfal Hotel made a net profit of 138m baht last year and expects at least 194m baht this year. By listing on the Securities Exchange of Thailand, the com-pany can enjoy insertive tax rates as well as raise funds on the capital market. For hotels,

Dr Chaijudh Karnasuta, chairman of the hotel, described the domestic response as overwhelming. According to Italthai and Mandarin, their placing of sheres in the Oriental is the first to be carried out for a Thai company simultaneously in local and international products. national markets.

The floration follows massive demand in Hong Kong last week for shares in C.P. Pokphand, a Thai-controlled agri-industrial group which is gaining a listing

the capital market. For hotels, foreign ownership cannot exceed 49 per cent.

Our Financial Staff adds: The international tranche of the share offer is being sold at a premium of nearly 5 per cent, which oriental Hotel said was usual for hotel for 20 years.



Pioneer chief executive steps down

BY CHRIS SHERWELL IN SYDNEY

take over the position. Mr Quirk, 58, he has been with Pioneer for 31 years, 21 of them abroad. Sir Tristan, who turned 65 last month, will continue as group

Pioneer, which has annual sales of more than A\$3bn

petroleum refiner and retailer, where it is bidding for the 12 per cent it does not already own.

The group is expected to report record earnings in the current financial year for the 13th consecutive time, and yesterday Sir Tristan said he could "see a lot of further growth."

Of Italian extraction, Sir Tris-

ducer of ready-mixed concrete in Spain and the second largest in the UK. Minerals and energy, meanwhile, account for a fifth of the group's profits. "An excellent foundation has

been laid for the future," Sir Tristan said. "Mr Quirk has a very good management team behind him."

SIR TRISTAN ANTICO, a giant of Australia's corporate scene, will step down today as chief executive of Pioneer Concrete Services, the building products and resources group.

In its core businesses, Pioneer the building products and long-groomed by Sir Tristan as his successor, will step over the resettion Mr Ouirk where it is bidding for the 12 per ducer of ready-mixed concrete in the building industry. The company went public in 1959.

Diversification geographically in the 1960s and into resources in the mid-1970s reduced its dependence both on building products and on the Australian market.

Pioneer is now the largest produce at the rate it has managed in the past decade.

The group's higgest expansion in building products would be in the US, while quarrying operations would grow in the UK, West Germany and Australia.

In resources there would be a quantum leap when revenues from the Coronation Hill gold project in the Northern Territory

(US\$2.25hn), is currently completing a restructuring. This will tan started Pioneer in 1949 as a malgamate its minerals exploration and production under the 41 placing and formwork services to for Pioneer's European expansion.

Channel Ten to form link with MCA

By Our Sydney Correspondent

MCA, the US film and entertainment group, and Austra-lia's Channel Ten television network are to form a long-term commercial link billed by the two sides as "his-toric" and "unprecedented." Mr Frank Lowy, chief of the

mr Frank Lowy, called in the Westfield group, which con-trols Channel Ten through its Northern Star Holdings, said MCA would become both an exclusive supplier of television programmes to Channel Ten

programmes to Channel Ten and a business partner. Under the deal, Channel Ten will gain access for 10 years to the output of one of the world's largest producers of television programmes. television programmes — including series like Miami Vice — and theatrical films. At

vice — and theatrical films. At the same time MCA will be issued with options over 10 per cent of Northern Star equity.

The 25.4m options will entitle the US company to acquire the stake within five years at A\$2.50 per share. This year the shares have traded between A\$1.30 and A\$1.70.

Mr Lowy, who acquired the

Mr Lowy, who acquired the main stations in the network last year from Mr Rupert Murdoch's News group, said it had previously lacked access to a permanent source of top inter-

national programmes.

Now, with its continued local production, its exclusive right to Twentieth Century Fox production and the MCA agreement, he said the net-

work's position had been secured for many years. Mr Sidney Sheinberg, MCA president, said there would many opportunities for expanding the new relation-ship, both with Northern Star and with Westfield.

MCA/Universal produces or

distributes 11 current television series on the main US net-works. For Channel Ten, access to these will help it compete against Channel Nine (owned by Mr Alan Bond's Bond Media) and Channel Seven (controlled by Mr Christopher Skase's Qintex group).

•MCA yesterday reported a fall in first-quarter net profits to \$26.86m or 37 cents a share from \$28.75m or 38 cents in spite of a tax credit of \$3.9m against a charge of \$11.5m last year and a rise in revenues to \$611.21m from \$533.22m. Notice of Redemption



AMCA International Limited (Incorporated under the laws of Canada)

U.S.\$60,000,000 Retractable Debentures due 1998 (the "Debentures")

NOTICE IS HEREBY GIVEN that pursuant to the Terms and Conditions of the Debentures, AMCA has elected to redeem all of the Debentures on Juna 1st, 1988 at 100 per cent. of their principal amount. Interest on the Debentures will casse to accrue from and after the redemption date.

Payment of the redemption proceeds (U.S.\$1,000 per Debenture) will be made against presentation and surrender of the Debentures cum Coupon No. F6, and subsequent attached, at any of the Paying Agents mentioned below. Paying Agents

Orlon Royal Bank Limited
71 Queen Victoria Street, London EC4V 4DE
(Principal Paying Agent)

The Royal Bank of Canada AG
Guileutstrasse 85
6000 Frankfurt/Main 1
Federal Republic of Germany

The Royal Bank of Canada
(Beiglum) S.A.
rue de Ligne 1
1000 Brussels, Beiglum The Royal Bank of Canada (Sulsae) rue Diday 6 1204 Geneva, Switzerland

The Royal Bank of Canada (France) S.A. 3 rue Scribe, 75440 Paris,

First Interestate Trust Company of New York 2 Broadway, 29th Flore Benque Generale du Luxembourg S.A. 27 Avenue Monterey

Coupons which mature on or prior to the redemption date should be deteched and presented for payment in the normal

DATED: LONDON, 22 APRIL, 1968 For and on behalf of AMCA International Limited by:



of New York 2 Broadway, 29th Floor New York, NY 10004

ORION ROYAL BANK LIMITED A member of The Royal Bank of Canada Group

ALLIANCE LEICESTER

Alliance & Leicester Building Society

£300,000,000

Floating Rate Notes 1994 Notice is hereby given that the Notes will bear interest at 8.33%

per annum for the interest period 21st April, 1988 to
21st July, 1988.

Interest payable on the relevant interest payment date,
21st July, 1988 will amount to £103.56 per £5,000 Note and £2,071.12 per £100,000 Note.

Agent Benk; Morgan Guaranty Trust Company of New York

Video tape group to

Sir Tristen Antico: "a hard act to follow"

raise S\$16m ELECTRO MAGNETIC (S), a Singapore company which describes itself as South-East Asia's largest maker of video tapes, is raising \$\$16m (US\$8m)

through a share issue, Our Financial Staff writes. It is building a \$\$10m injection moulding plant to produce tape casings which the company plans to supply to JVC and other video casseite groups.

Strong demand boosts results at Kao BY OUR TOKYO AND FINANCIAL STAFF

for its new detergents and cosmetics.

Sales for the year jumped to Y490bn (\$3,94bn) from Y441bn reaped the benefits of increased while profits increased to Y30.55bn from Y25.79bn on an unconsolidated basis. The company raised its dividend from y7.50 to Y8.20 a share.

Severe price competition in Severe price competition in its first year on the sale unit had annual sales of \$172m is unit had annual sales of \$172m is and a workforce of 850.

Taiwan and Thailand, It is also of Y34bn, an increase of more production of its cosmetics in of Y34bn, an increase of more production in broadening out of the domestic market by introducing its cosmetics in the US and Europe.

On Wednesday, Kao announced which made worldwide sales of the sale of the production of its cosmetics in the current year, Kao is production of its cosmetics in of Y34bn, an increase of more pany raised its dividend from market by introducing its cosmetics in the US and Europe.

On Wednesday, Kao announced which made worldwide sales of the production of its cosmetics in the current year, Kao is production of its cosmetics in the current year, Kao is production of its cosmetics in of Y34bn, an increase of more pany raised its dividend from market by introducing its cosmetics in the US and Europe.

On Wednesday, Kao announced which made worldwide sales of the production of its cosmetics in the current year, Kao is production of its cosmetics in the current year.

KAO, the Japanese cosmetics and soaps maker, yesterday registered an 18.5 per cent boost in that segment of the business. None the less, sales of its new detergents and cosmetics.

March thanks to strong demand for its new detergents and cosmetics.

March thanks to strong demand detergent, Attack, exceeded for its new detergents and cosmetics.

Without the company has a warkforce of 850.

We would be said the clinicinati, Ohio-based until had annual sales of \$172m to the world of the US. Y514.4bn against Y464.1bn, net earnings emerged at Y13.44bn compared with Y12.91bn. Growth was held back by a Y2.75bn write-off in connection with the sale of its 45 per cent share in Karonite, a joint venture with Chevron Chemical of the US.

On a per-share basis, net earnings fell to Y27.47 from Y32.30, reflecting the issue of bond-related new equity.

This year Kao expects consoil-

This year Kao expects consoli-dated net earnings of Y15.5bn from turnover of Y545bn.

21st April, 1988



TAISEI CORPORATION

7. NEW ASSUED A POSSUE TO STATE THE PROPERTY OF THE PROPERTY O

U.S.\$100,000,000 4 ½ per cent. Notes 1993

Warrants ::

to subscribe for shares of common stock of Taisei Corporation

Issue Price 100 per cent.

The Nikko Securities Co., (Europe) Ltd.

Citicorp Investment Bank Limited

IBJ International Limited

Bank of Yokohama (Europe) S.A.

Banque Indosuez

Baring Brothers & Co., Limited

Daiwa Europe Limited

Robert Fleming & Co. Limited

Mitsubishi Finance International Limited

Morgan Grenfell & Co. Limited

J. Henry Schroder Wagg & Co. Limited

Tokyo Securities Co. (Europe) Limited

This amountement



TAISEI CORPORATION

U.S.\$200,000,000

3 5/8 per cent. Notes 1992

Warrants

to subscribe for shares of common stock of Taisei Corporation

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Deutsche Bank Capital Markets Limited

Fuji International Finance Limited

Bayerische Vereinsbank Aktiengesellschaft

Daiwa Bank (Capital Management) Limited

Goldman Sachs International Corp.

Kleinwort Benson Limited

LTCB International Limited

County NatWest Limited

J.P. Morgan Securities Asia Ltd.

Morgan Stanley International

New Japan Securities Europe Limited

Nippon Kangyo Kakumaru (Europe) Limited

SBCI Swiss Bank Corporation Investment banking

Nomura International Limited

Société Générale

Taiheiyo Europe Limited

Taiyo Kobe International Limited

S.G. Warburg Securities

Yasuda Trust Europe Limited

Japanese brokers suffer downturn

FIVE YEARS of rapid profit growth by Japan's Big Four secu-rities houses came to an end in the six months to March. Parent company pre-tax profits of Nomnra, Daiwa, Nikko, and Yamaichi fell.by 26.4 per cent to a combined Y468.9bn (\$3.77bn) in the first half of their current

Combined revenues of the four were down by 14.8 per cent to Y1,098.7bn, mainly because of a slump in trading volume on the Tokyo Stock Exchange in the wake of the October crash. The steeper decline in profits came partly because commission rates on bond and stock trading in Tokyo were cut.

Nomura, the world's largest securities house, said its broker-age commissions fell 31 per cent to Y141bn. The alump in broker-

By George Graham in Paris

The results include for the first time Bouygues's 25 per cent stake in TF1, France's main television channel, which was privatised

Bouygues predicts flat sales for

to FFr23hm, stagnating in over-seas construction at FFr6.7bn,

Earnings

Bouygues

flat at

Parent	company	results	(Ybn), h	ES HOUS alf-year t ax profit	o marc	h 1988 et profit
Nomurz	404.41	-13.2%	193.71	-20.0%	89,42	-19.9%
Daiwa	257.45	-13.8%	117.91	-21.5%	59,41	-14.6%
Nikko	224.07	-18.8%	80.53	-39.0%	41,83	-28.7%
Yamaichi	212.83	-14.2%	76.84	-33.4%	45,03	-21.9%

set to some extent by a huge banks also helped the underwrit-increase in new issue scrivity, ing business.

age business for the four was off of rights issues by Japanese

with a loss of Y17.3bn in the whole of last year.

Nomura and Nikko also man-

aged to make profits on stock trading for their own accounts in spite of the market crash. Nomura's stock trading profits were Y10.6bn while those of Nikko were Yibn. Yamaichi, on the other hand, lost Y6.2bn and Daiwa lost Y834m.

Nomura pointed out that trading volums in Japanese stock markets recovered rapidly increase in new issue scrivity, and increase in new issue scrivity, and increase in new issue scrivity, and increase in new issues.

Although the Japanese bond market was dull for much of the period, Nomura and Daiwa made improvement in trading combiner of 1.9m shares of Nippon while Nikko and Yamaichi recorded profits in this area after they expect the year to end with period, Nomura and Daiwa made improvement in trading companies are forecasting continued improvement in trading companies are forecasting compani starting in January "because of investors' appreciation of Japa-nese economic growth." All four

Sandoz to limit shareholdings

BOUYGUES, THE leading French construction group, has reported flat earnings of FFr495m (\$87m) in 1987, in spite of 8 17 per cent increase in sales to FFr53.4bn.

The group gave no breakdown of its profits, but had earlier of its profits, but had earner amounced a sharp cut in losses at its subsidiary Dragages et Travaux Publics to FFr8.4m, compared with FFr146.8m in 1986, and a return to substantial profits at Screg, its construction unit, which recorded earnings of statutes and will be proposed at the May 3 shareholders' meeting. A further amendment specifies up of 1,043,315 registered shares that spplications free for registry and 155,315 bearer shaes, each of could be refused "particularly SF7250 nominal value.

Where these could jeopardise the Mr Moret said the where these could jeopardise the Mr Moret said the company Swiss character of the company was "confident" it would further FFr204m after only FFr3m in

SANDOZ, THE Basle chemical group, is to limit to 2 per cent the maximum stake in its registered share capital which can he entered into the company's share register. This follows the announcement of a similar move by Ciba-Geigy, another of the announcement of a similar move the situation in respect of the situation in respect of the situation in respect of the was close to existing guidelines.

The general rule, to which exceptions could be made at the board's discretion, would form part of an amendment to Sandoz' statutes and will be proposed at the May 3 shareholders' meeting.

A further amendment specifies that spolications of the situation in respect to clarify the situation in respect of reglations. The general rule, to which exceptions could be made at the board's discretion, would form part of an amendment to Sandoz' statutes and will be proposed at the May 3 shareholders' meeting.

Sandoz' voting cardinal to clarify the situation in respect to clarify the situation in respect to last year.

The company has already announced that group sales rose 7 per cent last year to a record SFr32bh and profits by 16 per cent to SFr57m.

The perent company will propose an increase in dividends to SFr100 from SFr105 to SFr110 per share and from SFr21 to SFr32bh and profits by 16 per cent to SFr57m.

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The perent leaf to company was not threatened by announced that group sales rose 7 per cent rule.

SFr32bh and profits by 16 per cent to SFr57m.

The perent company will propose an increase in dividends to SFr100 from SFr105 to SFr110 per share and from SFr21 to SFr32bh and profits by 16 per cent to SFr57m.

Swiss character of the company was "confident" it would further Rhine, had amounted to SFr85m, or are made by competitors or improve its results in calendar of which some 85 per cent had persons close to competitors."

1988. In the first quarter, sales already been made.

Mr Oppikofer said damage pay-ments in respect of the Novem-ber, 1986, fire at the Sandoz plant in Schweizerhalle, which resulted in large-scale pollution of the

CBOE seeks further staff cuts

1988, with turnover declining in the domestic construction sector

STILL SMARTING from the many jobs it is planning to cut By trimming \$15m from its effects of the stock market crash, with this measure, but is under-the Chicago Board Options stood to be considering further says it can break even on an seas construction at FF10-1011, rising slightly in property activities to FF79.4bn and climbing by 5 per cent in the diversification division, including television, to exchange's move to cut 90 jobs in January.

the Chicago Board Options staff reductions if the voluntary staff reductions if the voluntary staff reductions if the voluntary overall volume of 400,000 contracts a day. In March, it just that plan does not meet its objective. FANYONE can sign up for it, an exchange official said, but that day, down from a daily average doesn't mean they will be

The company will keep its dividend unchanged at FFr21.50, plus fax coupon, and will ask its shareholders in June to sprove a capital increase of up to first, incloding one month's pay for each year of service, up to six months.

January.

After seeing volume in the accepted."

After seeing volume in the exchange says the sever-standard & Poor's 100 stock and those who index option, its believe the product, cut in half by the stock market crash, the CBOE has also cut spending on its marketing programmes on its marketing programmes and employee bonuses.

BY DEBORAH HARGREAVES IN CHICAGO

a wholly owned subsidiary of

Volvo Concessionaires Ltd

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Arranged by

Continental Illinois Merchant Banking Group

Medium term notes launched for Wheat Board

By Stephen Fidler, **Euromarkets Correspondent**

A STRING OF financings was launched yesterday in the international markets yester-day, including a \$600m pro-gramme in the emerging medium-term note market for the Australian Wheat Board and a \$325m note facility for Gulf

The Wheat Board will be able to issue notes either in the US or in the international markets. It has appointed as dealers Crédit Sulase First Bos-ton (First Boston in the US), Merrill Lynch, Morgan Stanley, and Shearson Lehman Hutton.

The Gulf Canada financing is a so-called puttable note issuance facility, with an eight year final maturity. It is a structure which avoids pay-ment of Canadian withholding tax, allowing the borrower to issue five-year floating-rate notes, which the investor can put back to a group of banks at every six-monthly interest payment date.

The financing, led by Bank of America, carries a 10 basis point facility fee and a maximum margin over London interbank offered rates of 15 basis points. Front-end fees range down from 5 basis points for a \$25m commitment.

Bank of America is also arranging a \$300m five-year, mul-ti-option facility for Southern California Edison, the second largest electrical utility in the US, and is expected to launch two further deals shortly.

Manufacturers Hanover is manuacturers hanover is arranging a DM135m, five-year credit for the Electricity Supply Board, the Irish state electricity utility. The financing, the borrower's first unguaranteed syndicated loam, allows it to borrow at rates substantially below Tiber. tially below Liber.

County NatWest is arranging a £50m revolving credit for Storebrand Finans Mortgages, the UK mortgage subsidiary of Norway's largest financial institution. It carries an 18month maturity, a 7.5 basis point commitment fee, and: margin of 18% basis points.

Eleawhere, a £350m multi-option facility for Pilkington; the UK glass maker, has been raised to £500m, while Roths-child has completed financings of £150m for John Lewis, the stores group, and of £100m for the Sedgwick Group. Barclays also said it completed a £75m facility for Peachey Property.

In the Eurocommercial paper market, Den Danske Bank established a \$500m programme with CSFB and Mer-rill Lynch as dealers, while a programme for Panasonic, guaranteed by Matsushita-Electrical of Japan, was dou-bled to \$200m.

First-quarter improvement for ITT

By Our New York Staff

rest. THE big US conglomerate which is entering its third year of recovery, has reported a 20 per cent improvement in first-quarter net income on the strength of good results in insurance, antomotive products and timber.

The New York-based group, which has enjoyed sharply higher returns as it has

higher returns as it has thinned out its businesses, said earnings were \$180m or \$1.25 a share in the quarter, compared with a restated \$33m or 60 cents a share in the same

or 60 cents a share in the same period of 1987.

Bot the 1987 figures were reduced by a special charge of \$67m or 44 cents a share to reflect secounting changes. Without the special charge, earnings per share were up 20 per cent.

The results were further complicated by tax benefits at The Hartford, ITT's insurance subsidiary. These were \$26m or 17 cents in the 1987 first quarter and \$12m or 8 cents a quarter and \$12m or 8 cents a share in the most recent quar-

ter.
The group, which has sold over \$5hn in companies since Mr Rand Araskog became chairman in 1980, sald that sales revenues rose 10 per cent

"It is reasonable to expect improved results in each of our business segments for the full year," Mr Araskog said. The Hartford, which earned higher investment income on strong premium rates, led a significant improvement in the core financial services subsidlaries. Also recording strong gains were the pulp and tim-ber operations and the indus-trial prodocts division, led by

automotive.
Alcatel, which holds the remainder of ITT's traditional telecommunications business. made an important contribution to the first-quarter results, said ITT.

Three further issues in **Eurosterling sector**

INTERNATIONAL

BONDS

paper issued so far this week --in sterling as in other sectors --

jury appears to be still out else-where. Dollar bond prices showed

no clear trend yesterday.

All five new issues in the equity-linked dollar sector came on

identical terms: five-year maturi-ties and indicated coupons of 4%

per cent. Though they were

clearly a lot to digest in one day, there appeared to be no extreme

worries about indigestion, despite the quieter period currently being seen on the Tokyo stock

The largest at \$150m was for

Michimen, a general trading company, led by Daiwa Europe. It traded at the lowest level, being bid at par. Restaurant Seibn's \$120m issue was led by Nippon Kangyo Kakumaru and was hid at 103. Nomura International led

market

ende la companya de la elementa de manda de manda de la companya de la companya de la companya de la companya de

THE WEEK'S extraordinary said this gave a 33 basis point issue led by Nikko Securities and burst of new bond issuing active margin over the 10 per cent of bid at 102.

The overcrowded Australian type of the current bond has been being bid by odd a sector saw a Assom sevenrency sectors of the market lead managers at discounts equal appeared to be getting saturated. to their fees, though wider discounts appeared to their fees, though wider discounts appeared to their fees, though wider discounts are the same of the

tougher reception than Austria's sively priced.

earlier in the week, underlining the desire of investors for only the best of the top quality names. a 9% per cent coupon and 101% a further feature of yesterday's price, had a 25 basis point margin. business was the launch of five new equity-warrant dollar bonds for Japanese borrowers totalling

\$520m "Wa're picking and choosing now," said one syndicate man-ager as one of the Eurobond mar-ket's busiest weeks for a long time drew to a close. This week's issues in many sectors are expec-ted to take a long time to absorb but were brought because of

attractive opportunities and demand for swaps.
In the sterling market, Hydro Quebec appeared to be marginally the market's pick with its first Eurostarling issue, over PepsiCo and Societe Nationale descriptions.

siCo and Société Nationale des Chemins de Fer, both of which came later in the afternoon.

While sterling was strong yes-terday on the foreign exchange market, the gilt-edged market was buffetted by the strong increase reported in bank lending — which, in turn, bnoyed the nound Nevertheless the gilt

- which, in turn, bnoyed the pound. Nevertheless, the gilt market held up quite well. Eurosterling spreads over gilts have narrowed considerably on lack of supply of new paper. But the spreads attempted yesterday appeared quite ambitious. Both-Hydro Quebec and SNCF made seven-year issues, with the seven-year area very short of paper and offering a yield nick-up over and offering a yield pick-up over five years. But there was some confusion in the market over

which gilt stock was the most appropriate to price them off. Warburg Securities, which led Hydro Quebec's £75m, 9% per cent deal, said the 101% pricing gave a 40 basis point spread over a \$100m issue for Daicel Chemithe 10% per cent 1985 gilt at cal Industries, bid at 104, and a launch, not of fees. Baring \$80m issue for Nippon Metal brothers priced the £75m, 9% per Industry, bid at 101%. D'Urban, a cent SNCF issue at 100%, and clothing company, made a \$70m reduced to \$60m from \$75m.

year issus for the Australian Trade Commission, which benefited from the scarcity value of Three new issues in the Euroscounts were seen elsewhere. This fitted from the scarcity value of terling market – for Hydro Quebec, Pepsico and Societé National quasi-sovereign status. SNCF's was viewed as aggressible their proportion than the scarcity value of its longer maturity by comparison was despite their Triple A ratings son with most other recent deals. ANZ Merchant Bank led the deal status and quasi-sovereign status. which was priced at 101% with a 12% per cent coupon and was bid

inside its fees.

The lira, like the pound and the Australian dollar, has benefited from currency flows and investors concern about the dol-lar. A subsidiary of Sumitomo Bank sought to capitalise on this with a L75bn issue led by Banco with a Libbin issue ien by Bailco di Roma with a five-year matu-rity, 11% per cent coupon and 101 pricing.

In Canadian dollars, Svenska

Handelsbanken made a C\$50m three-year issue, led by Commerz-bank and carrying a 10 per cent

aggressively priced. It was hid marginally inside the fees.

Some syndicate managers say they doubt that much of the coupon and 101% pricing. Swiss Bank Corporation's West German subsidiary led a DM50m has yet been firmly placed, espe-cially given that a number of deals appear to be depending on the emergence of Swiss retail demand. This takes time because issue with currency warrants for Wella International Finance, a subsidiary of the German hair care products group. The seven-year deal was priced at 101 with a 5% per cent coupon. D Mark bond prices lost small earlier hanks must first put bonds on their weekly buy lists. The three short-dated dollar issues on Wednesday have seen Middle Eastern demand, but the

gains. In Switzerland, Kyosan Electric made a SFr50m issue of bonds with equity warrants, led by Wirtschafts und Privatbank. The five-year deal has an indicated coupon of 1% and par pricing. Swiss franc foreign bonds saw small gains in recent issues but were otherwise little

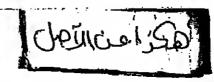
changed. LTCB International led a Ylobn issue for Hovedstadsregi-onens Naturgas, which will not be syndicated. It has a five-year maturity, 7 per cent coupon and 101% pricing, with put and call options after three years with redemption linked to Japanese

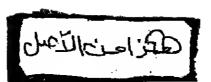
government bond futures.
In equity-related bonds, Compagnie du Midi'a two-tranche convertible was priced at 108 – the conversion price is below the

FT INTERNATIONAL BOND SERVICE

US BOLLAR STRANSMITS | Description | Part | Description | Descrip Royal Insurance 5½ 92...... Statoll 6¼ 97.... Soc Cent Nuclear 7½ 95...... Tokyo Elec. Power 6 97....

bond over the most recent price of the share





This is neither an offer to buy or sell or exchange nor a solicitation of an offer to buy or sell or exchange any security. THESE NOTICES ARE SUPORTANT AND REQUIRE YOUR MAKEDIATE ATTENTION. . If you are in any doubt about how you sho ald act, you should consult your Stockbroker, Bank Manager, Solicitor, Ac



DOME PETROLEUM LIMITED

Notices of Meetings of the Holders of the Outstanding Principal Amounts of

U.S.\$75,000,000 Floating Rate Notes due 1988

U.S.\$50,000,000 Floating Rate Notes due 1989

U.S.\$3,130,000 161/2% Fixed Rate Notes due 1989 U.S.\$50,000,000 10% Debentures Due 1994

U.S.\$50,000,000 131/2% Debentures Due 1992

to be held on Tuesday, 24th May, 1988.

Missings (the "Mestings") of the holders (the "Holders") of the U.S.\$75,000,000 Floating Rate Notes due 1988 (the "1988 Notes"), the U.S.\$50,000,000 Floating Rate Notes due 1989 (the "1989 Notes"), the U.S.\$50,000,000 10% Debentures Due 1994 (the "10% Debentures") and the U.S.\$50,000,000 13% Debentures Due 1982 (the "13% Debentures") of Dome Petroleum Limited ("Dome") (collectively, the "Notes and Debentures") will be held at The Cornsught Rooms, 61—65 Great Queen Street, London WC2 on Tuesday, 24th May, 1988. The Meetings are called to consider Extraordinary Resolutions consenting to the implementation of an arrangement under the Canada Business Corporations Act (the "Pien of Arrangement") pursuant to which the business and operations of Dome and Ananco Canada Petroleum Contemp. Lid. ("Annoco Canada") will be combined. If the Pien of Arrangement is approved and becomes effective, Annoco Canada will acquire the Indebtodrass representated by the Notes and Debentures and to consideration therefor will make a cash payment to the Holders equal to 45% of the aggregate of the outstanding principal amount of, and interest accrued slooe 31st October, 1986 on, the Notes and Debentures.

in April, 1867, after analysis of information provided by Dome, Amoco Canada, TransCanada, PipeLines Limited and Imperiel Oil Limited each submitted ecquisition proposels to Dome. The proposels by Amoco Canada was selected by Dome as being superior to the other two proposels for both creditors and shareholders of Dome.

Dorse. The proposal by Amoco Canada was selected by Dome as being superior to the other two proposals for both creditors and shareholders of Dome.

The consent of Holders in being sought through meetings of Holders at which they will be asted to approve the Edwardinary Resolutions set forth in this notice. Subject to further order of the Court of Queen's Bench of Alberta, Canada (the "Court") and in addition to certain other required approvals (including without limitation the approval of not less than two-thirds of the principel of the aggregate outstanding debt under those public unsecured credit facilities of Dome which will be affected under the Plan of Arrangement, including the Notes and Debentures, treated for this purpose as a single class), the Court has ordered that the approval of the Holders of not less than three-quarters of the principal of the aggregate outstanding debt under the Notes and Debentures voted in respect of the Edwardinary Resolutions in required to approve the Plan of Arrangement. The Trust Deed pursuant to which the 1988 Notes and register of the 1988 Notes and requires that an extraordinary resolution be passed by a majority consisting of not less than three-quarters of the votes cast thereon at a meeting of the holders of the 1988 Notes and the 1989 Notes in accordance with the provisions of the Trust Deed pursuant to which the 16% Notes and the 1989 Notes were constituted. The Inst Indenture pursuant to which the 10% Debentures were issued requires that an extraordinary resolution be passed by the terroursble votes of the holders of not less than 66% of the principal argount of the 10% Debentures represented at a meeting of the purpose and held in accordance with the provisions of such Trust Indenture. The same approval requirement applies, mutatis mutandis, in respect of extraordinary resolutions to be voted on by holders of the 13% Debentures in accordance with the provisions of the Trust Indenture. The same approval personal to which the 13% Debentures were issued. Notwither

By wey of background, in October, 1986, Dome obtained welvers of its public unsecured debt, including the Holders, all of which have terminated in accordance with their terms. The weivers were part of a short term solution to Dome's financial difficulties white a plan (the "Debt Restructuring Plan") was being developed. Concurrently with the development of the Debt Restructuring Plan, discussions were held with potential purchasers to determine whether any financially strong company would be interested in acquiring Dome upon terms more adventageous then the conditions proposed under the Debt Restructuring Plan.

The Plan of Arrangement instances of Dome, Any Interested Holders may attend the bearing commencing on 13th June, 1988, to determine, among other things, whether the plan of Arrangement is tair to all creditors and shareholders of Dome. Any Interested Holders, and the Plan of Arrangement in the Plan of Arrangement in

If the Plan of Arrangement in consummated, Holders of the Notes and Debentures and metured coupons with respect to the Notes and Debentures will have the right to receive the cash payments from Arroco Canada described above, and more perticularly described in the information Circular referred to below, but will have no further rights under the Notes and Debentures or any coupons related thereto, whether maked or unnestured and whether or not attached to the relevant Notes and Debentures, (except inectar as they represent an antillement to interest up to and including 31st October, 1986).

If the Plan of Arrangement is not successfully concluded, Dome's ability to continue as a going concern could be jeoperdised and a liquidation might result is the event of any such liquidation, Holders would be likely to receive substantially less than the consideration being offered to them pursuant to the Plan of

The Plan of Arrangement represents the culmination of many months of lengthy negotiations with Dome's creditors. Amono Canada and other prospective purchasers of Dome, The Board of Directors of Dome believes that the Plan of Arrangement presents the best evaluable solution to Dome's financial difficulties and that it will provide fair treatment to Dome's creditors and shareholders. Accordingly, Dome strongly urges all Holders entitled to vote to do so in favour of the Extraordinary Resolutions.

An information Circular giving further information about the business and financial affairs of Dome, summerising the principal provisions of the Plan of Arrangement and its effect as far as the Notes are concerned under English Law, containing as independent opinion as to the fairness of the Plan of Arrangement to the Holders and detailing voting procedures for the Meetings may be obtained by Holders from Dome or the Paying Agents as from Tuneday, 3rd May, 1988. Copies of the Information Circular will also be provided by Morgan Gueranty Trust Company of New York, Brussels office, as operator of the Euro-clear system ("Euro-clear") and Codel S.A., to any Holders whose Notes or Debestures are held in those clearing systems.

For the attention of holders of the U.S.\$75,000,000 Fiching Rate Notes due 1808 of Dona Petroleum Limited NOTICE OF MEETING. NOTICE IS HERRITY GMEN lites a receiping (the "Messing") of the baddes of notice (the "holdest") consuming the retember of polymer and part of LESTS,000,000-Faceing Reter Rotes clar 1988 (the "Rotes clar 1988 (the "Rotes clar 1988) (the "Company") consumed by a Total Dead caled an all 1st Cotober, 1981 and enter between the Company and The Art Debugs (the Company and The

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(C) consents to the water and authoritation of, certain breaches and prospective breaches of the turbs and conditions of the Pictus, in recordance with the busine.



For the attention of holders of the U.S.500,000,000 Husling Pate Notes due 1986 of Dome Petroleum Limbed

NOTICE IS HEREBY GIVEN and a marring (the "Marring") of the bo

circlained in the Treat Deed and of every other press content of on the Medicing, he asserts to the allmaters in the powers exceptable by Chinacolany Fleshwist can and in the Third FFM Supplemental Syst Deed classed as of 21st April, 1988. (2) That, extypot to the Chinacolany Fleshwist place of the Medica consen-ple Medicing (the Third Fleshwist Treatmy trans-day passed, delationing of the hole

sphophosophiles, nathof to mellinapopholosome the pro-s (6), (C) and (E) below, of a plus of soungement (the "Plus ") under Section 185, 1 of the Councie Business Controlless (chi ") under Section 185, 1 of the Councie Business (china)

HOTICE OF MEETING

to the implementation, subject to and in accordance with the provision upon (fil), (C) and (E) below of a plan of arrangement (the "Plan of sent) produce Tection (fil), I of the Chaputs Routeness Cooperations Act in

An information Circular giving further information obsert the brainess and therefore all the Company, seamenting the principal provisions of the Plan of Annequence and effect so the set the Notes are concerned under English Law, containing an empeaced affect and the set the Notes are depended opinion as to the features of the Plan of Annequence to the Indians and desting value procedures for the Neutring way to activation by Holdes Invest the Company of the Plan Agents as from Teaching Valley, 1918. Copies of the Internation Circular vall test provided by Mohgain Capanion Plant Company of Nov Vini. Because delice, as operation

holders of the U.S.350,000,000 18% Debentures Due 1994 of Dame Petroleum Limited

NOTICE IS HEREBY GMEN that a steading (the "Moulog") of the to

compens to the implementation, unbject to undin accordance with the previsions of pengraphs (R), (C) and (C) below, of a plan of employment (the "Plan of Ammperent") under Section (SS, 1 of the Carech Shafness Corporations Active International Active Compensations (SS, 1 of the Carech Shafness Corporations (SS, 1 of the Care

holders of the U.S.\$50,000,000 13'4% Debentures Due of Dome Petroleum Lie MOTICE OF MEETING

"Seudies") as supplemented and search of by a Fast Supplemental Bust Inde aged 1st day of September, 1986 and a Second Supplemental Fuest Inde 280 day of October, 1986 (as so eusplemented and searched, the "Fuest took white of the power operation of the Bust Indentities and of every other power of the Meyting, breight special is in alticipation to the power end-crossle by E. Paschiston contained in 800 Third Supplemental Bust Indentities detect as of April, 1986. (2) This, subject to the Extraordinary Resolution Fuesthese (1) as the Notice has Meyting (the "First Paschiston") heaving been cuty research, the Mesting of

Holders entitled to attend and vote at the Needings may either actual in passon with their Notes or Debentures or Obtain fitters any of their respective Paying Agents voting certificate will specify the Meeting for any adjournment thereof) at which the bearer thereof in entitled to attend and vote in needed of the Note(s) or Debentures; presented by such voting certificate will specify the Meeting for any adjournment thereof) at which the bearer thereof in entitled to attend and vote in needed of the Note(s) or Debentures; presented by such voting certificate.

The transfer is completed, either obtains and forward a voting destinate to such Holders or Debentures with a Paying Agent the Meeting for any adjournment thereof) as the transfer in the transfer in count of the Notes or Debentures with a Paying Agent the Meeting for any adjournment thereof) as the transfer in the transfer in the Control of the Notes or Debentures with a Paying Agent the Meeting for any adjournment thereof) as the transfer in the transfer in the Notes or Debentures with a Paying Agent the Meeting for any adjournment thereof) as the transfer in the Notes or Debentures with the Notes or Debentures with the Notes or Debentures are held by such a such that the Notes or Debentures are held by such and the Notes or Debentures are held by such and the Notes or Debentures are held by such and the Notes or Debentures with a Paying Agent to the Notes or Debentures with a Paying Agent to the Notes or Debentures with a Paying Agent to the Notes or Debentures with a Notes or Debentures with a Notes or Debentures are held by such and the Notes or Debentures with a Notes or Debentures with a Notes or Debentures with a Notes or Debentures are held by such and the Notes or Debentures with a Notes or Debentures are held by such and the Notes or Debentures with a Notes o

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Copies of the information Circular may be obtained, as from trei May, 1905, from Dense (at 2900 Dome Tower, 325-7th Avenue 8.M., Culyary, Alberta, Canada) and the Paying Agenta. The Proxy Statement delivered to Dome as efforced, as from trei May, 1906, from The Plan of Arrangement and the Paying Agenta as from Fiding, 5th May, 1906. Copies of the Treet Decide, or as the case may be, the Tests Industries constituting the Notice and Debentures and Debentures ampliamental thereto together with copies of drufts of the Fourth Supplemental Tests Decide and Industries are information to in the Estimations above will be evaluable for inspection only at the offices of Dome as aforesed and the relevant Paying Agents. A SUBSEQUENT NOTICE WILL BE PUBLISHED BY DOME TO NOTIFY HOLDERS OF WHETHER OR NOT THE PLAN OF AFRANSIBABAT HAS BEEN APPROVED BY THE COURT AND SECOND EFFECTIVE AND, IF APPROPRIATE, THE PROCEDURE WHEREBY THE PAYMENT BY AMOCO CANADA WILL BE MADE.

22nd April, 1988

Inchcape soars £30m despite currency trends

Inchespe has shrugged off the The result was regarded as a adverse effects of currencies on vindication of the efforts of Mr its vast array of businesses to George Turnbull, appointed report a 230.1m surge in pre-tax chairman in January 1986, to in profits for 1987.

Breaking through the £100m mark for the first time, the former overseas trader announced profits of £116.2m, against £86.1m the year before.

is denominated in either US dol-lars or dollar-dependent curren-cles, and profits would have been £16m higher but for adverse exchange rate movements. Nev-ertheless, the result was ahead of expectations, prompting analysis to upgrade their forecasts for the current year from about £125m to

Helped by a lower tax charge, absorbing 34.8 per cent of pre-tax profits against 44.8 per cent in 1986, earnings per share rose by 47 per cent to 73.7p. A final divi-dend of 18.5p makes a total of 27p, compared with 21p.

Restructured

in the black

turn the company into an inter-national services and marketing organisation. Inchcape's shares, which began the week at 685p. added another 19p yesterday to

Since his appointment Mr Turnbull has cut the average age of senior management by a decade or so to 47-48, introduced decade or so to 47-48, introduced a central treasury function, and reshufiled inchcape's portfolio of interests into 10 areas. Five of these are growth businesses to be supported by investment and acquisition, the other five mature but profitable businesses to be left to grow at their own pace.

Much of the 21-2 per cent growth in operating profits to \$112m (\$92.4m) — achieved on

\$112m (\$92.4m) - achieved on turnover up by 2 per cent to cars rose from \$51m to \$70.6m on ing and distribution undertaken \$2.04m - came from the priority sales of \$1.25m (\$1.05m). on behalf of numerous principals \$2.04bm — came from the priority sales of £1.2bm (£1.0bm).

On behalf of numerous principals area of automotive distribution.

Although not designated a primit in the Far East surged by two where profits from the sale of ordity area, profits from market thirds to £21.4m (£12.8m) on sales



of 2364.2m (2343.1m). The strong performance was attributed to booming economies in Hong Kong and Singapore.

Pre-tax profits from insurance Pre-tax profits from insurance services rose from £11.1m to £13.2m, despite a disappointing second half Clarkson Puckle — bought in December 1986 for £43m — is still being integrated with Bain Dawes and made no contribution to profits last year,

other activities generated profits as follows: business machines \$2.2m (£1.7m); buying services \$2.2m (£1.8m); inspection and testing £5.5m (£6.8m); shipping services £5.3m (£3.8m); tea £4m (£6.7m); timber £6.6m (£4.1m); wines and spirits £4.1m (£7.8m).

Capital expenditure and

Capital expenditure and income from disposals cancelled each other out at £100m aplece; at the year end, net borrowing stood at £122m, squivalent to gearing of 39 per cent against 70

Tourists help boost Liberty profit to £5.7m Kalamazoo back

Kalamazoo, business systems and services group, reported a strong return to the black for the six months to January 31 1988. Compared to a loss of £876,000 last time, the taxable profit came out at £284,000.

The Kalamazoo Workers' Alliance bonus was £113,000 (nil). Earnings per 10p share emerged at 0.6p (0.6p losses)

For the first time since 1985 there will be an interim divi-dend — of 0.5p — and Mr Tom Garnier, chairman, said that the forecast final will not be

Mr Garnier said that the benefits from the reorganisa-tion of the past few years were continuing and that they were enhanced by the restructuring of the last nine months.

Suter stake raised

Suter, industrial conglomerate, has lifted its stake in Metal Closures, containers group, to 6.37m shares repre-senting 25.12 per cent of the

The Austin Reed Group are

1987 was a very successful

year. Turnover reached a

record £70.4m, with a sub-

stantial 32% increase in

33% to 18.7p. The annual

increase has now averaged

20% over the last five years.

Earnings per share rose

proud to present their finest

ever collection of figures.

pre-tax profit, to £8m.

The final dividend is 5.5p,

These results show, once

Renail sales were especially

bringing the year's total to

8.5p per share, a 31% increase.

again, that our business is in

particularly good shape with

strong, helped by a healthy

demand for suits and sa

increase in the sale of women's

sustained growth in all areas.

don after the terrorist scare of 1986 helped Liberty, the textile retailer and wholesaler, to increase pre-tax profits from 53.96m to 55.7m last year.

Taxes Act, 1970.
Although that is no longer the case, the shares are very tightly held. The non-voting shares rose

increase pre-tax profits from \$23.96m to \$25.7m last year. However, the company said that sales and wholesale orders in the first few weeks of 1986 were running marginally below expectations.

The company has until recently been defined as a "close" company under the provisions of the US.

UK retailing also did well, \$504,000 (£149,000). The US retail-improving profits from £2.17m to ing operation lost a further £2.59m as the tourists returned. £119,000 (£120,000). The group also benefited from a rates rebate of £501,000 on its

In France, the printing and dyeing subsidiary had to absorb a local tax of £75,000 and this held back its profits to £490,000 from the previous year's £542,000. Regent Street properties which was recorded as an exceptional After tax of £2.49m (£1.64m),

Johnston

SE after

221 years

By Philip Coggan

Press joins

However, depite management changes in the Dutch retailing operation, the company contin-ued to disappoint and European retailing losses mnunted to earnings per share were 53.3p (\$5.2p). The final dividend for the year is 8p making a total of 10.6p (9p).

Whatman Reeve rises to £7.9m

Despite the weakening of the dollar - the US being its major market - Whatman Reeve Angel lifted its pre-tax profit from total (3.1p). They come \$2.76m to \$2.79m in 1987. That reflected the strength of group trading and also the benefit of limiting currency risk by covering forward, the directors said.

Sales of the group, maker of products for separation and purification, declined in value from strongly, particularly in the US. This was the result of a greater dollar masked the real progress. Had US sales been converted at the end-1996 exchange rate, the group total would have shown an

increase of 8 per cent.

The directors are raising the final dividend to 28p for a 4p total (3.1p). They considered the outlook for continued satisfactory growth was encouraging, although there remained many uncertainties particularly in the foreign enchange markets. Both divisions had made a good start in the current year.

percentage of direct sales and the success of new products.

International division had centres, DIY retailing operation, another good year. Improved to Choice DIY for 23.2m in cash.

Our business is looking good.

We also expended our retail

operation with the acquisition

in the USA of Cashmeres of

Scotland; while in the UK,

out programme of retail

development continued, in-

cluding a new store in

London's Liverpool Street and

extensive resiting or refor-

In manufacturing, pro-

duction has been extended to

bishment of existing outlers.

manufacturing efficiency was again achieved, notably by some of the operations in the US.

Group trading profit came to \$7.74m (£6.8m) and there was net interest receivable of £198,000 (paid 252,000). Earnings per share were 22.82p (19.34p).

AAH sells Focus

A MERE 221 years after its foundation, Johnston Press, a local newspaper publisher and printer, is joining the stock market. Johnston was established in 1767 as a small printing business by the great-great-great-grandfa-ther of Mr Frederick Johnston,

ther of Mr Frederick Johnson, the current chairman. The com-pany waited until 1846 before it bought its first newspaper, the Falkirk Herald, but it now owns 50, ranging from the Ossett & Horbury Observer to the Kirkin-tilloch Herald. The main thrust of expansion has come over the past 10 years

acter the company acquired Edmonds of Chesterfield, publisher of the Derbyshire Times. From its original base in Scotland, Johnston's business has gradually spread southwards, calminating in the purchase of the West Sussex County Times. Group for £3.8m last month. About two-thirds of the group's revenue camed by its 29 paid-for and 21 free newspapers. Contract printing and typesetting contrib-uted a further fifth of last year's

Overall, Johnston's turnover has increased from £12.1m in 1983 to £29.6m last year, while profits have risen from £938,000 to £3.03m over the same period.

Hill Samuel is placing 6.1m shares, 25.7 per cent of the enlarged equity, at 122p each, giving Johnston a market capitalisation of £29m. The historic p/e ratio is 13 at the placing price.

The bulk of the shares being placed are new and the Johnston family is not selling any of its equity. Family interests will retain a stake of 50 per cent fol-lowing the fesue.

Clogau buys gold interests in Australia

By NEdd Talt

Clogau Gold Mines, one-time Weish gold-mining company which came to the Unlisted Securities Market in 1984, is going west with the acquisi-tion of gold interests centred on Kalgoorile in Western Am-

Lubbock Nominees, the family company of Mr Frank Lubbock. As a result Mr Lubbock acquires a controlling 52.26 per cent stake and will become executive chairman of the company.

The interests to be acquire

by Clogan include 50 per cent of the Callion joint venture of the Callion joint venture near Kalgoorile, where the other partners are Metallge-selfachaft AG and Thyssen Schacthau GmbH, and on which mining has already stated; a 25 per cent interest in the Barbenks joint venture in the Coolgardie area; a 50 per cent interest in the Menzies joint venture; and a 25 per cent interest in the Broad Arrow Mill.

Consideration is 24.4m new shares, which will be issued to Mr Lubbock. With Clogan suspended at 25p yesterday, the value of the deal is 26.1m. In addition, the Anstralian Giant Resources group is placing its present 32.9 per cent interest in Clogan with certain directors and institutions, mainly in the UK.

P&P in move to main market By Philip Coggan

P&P, a microcomputer distribution company, has amounced details of its flotation on the main market. Schroders is placing 8.56m shares, 30 per cent of the equity, at 175p each, giving the group a market capitalisation of just under 286m.

P&P was founded in 1980 by Mr Peter and Ms Pamela Fisher and traded initially as Pete and Pam Computers. Turnover has grown from 28, 1983 to 270.3m last year with profits advancing from 2859,000 to 54.36m over the same period.

the same period.

Based on last year's cornings per share of 12.1p, the shares are on a p/e ratio of 14.5 at the placing price. Of the 215m placing proceeds, around £11.9m will go to the community.

Broadcast sees £128,000 rise

Brondeast Communications saw pre-tax profits improve from £22,000 to £150,000 in the six months to end-December 1967. Turnover jumped from £189,000 to £2.17m. The com-pany, which is traded on the Third Market, is engaged in corporate communications services and television program-

a first-time contribution from Business Television, satisfac-tory trading by Braham Hill and further progress in ration-alising the former Edenspring interests.

Cradley up midway

Cradley Print, lithographic printer, litted its pre-tax profit from 2533,000 to £611,000 in the helf year ended December 31 1987 on sales up 22 per cent

to 26.34m.
Earnings worked through at 1.17p (1.68p) per share.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding div	Total for year	Total last year
ш	Addison Consultfin	1.9	June 3	1.7	28	2.5
ш	Brixton Estatefin	4.8	July 16	3.9	7.8	6.5 0.3
Ш	Epicurefin	0.5t	-	0.3	0.75	0.3
811	Epwin Group §fin	3.2			4.8	
и	Eismfin	4.45	July 1	3.4	6	4.7
ш	Govett Strategicint		- •	1.8		4
	Granpian TVfin		June 24	1.87	- 2.5	.2.3
ш	Helical Barfin	3		0.4	3.4	0.4
ш	Hestairfin	3.4	July 1	2.8	5.41	4.5
1 1	Inchcapefin	18.5	_	13.85	27	21
н	Jacques Vert &fin	8,5	-	7	8.5	7
М	Kalamarooint	0.5	-	-		1.5
ш	Libertyfin	8	_	7.2	10.6	9 6.5
и	Reed (Austin)fin	5.5	•	4.5	8.5	6.5
П	Riv Merc Cap Incfin	22	_	2 -	5.5	5
ш	Rounerfin	4	-	4	7 .	6.5
Н	Viking Res Trustfin	1.45	June 27	1.45	ź	2
	Whatman Reevefin	28	-	21	- 4	. 3.1

Dividends shown pence per share not except where otherwise stated. "Equivalent after allowing for surip issue. 1On capital increased by rights and/or acquisition issues. \$USM stock. \$\text{SUnquoted}\$ stock.

BOARD MEETINGS

The following companies have notified dalay of poard meetings to the Stock Exchange. Such meetings are assaulty held for the purpose of possiblering dividends. Official indications are sold available on to whether the dividends are solved or finals and the sub-divisions officers solved are based tradity on last year's time- bales.	Interfeee Chronex Interestional Chronex Interestional Chrone Hollaid Estates Reystone Revealment Royal Barti of Spotted UK Lend
TODAY	Wellcome
Interfese-British Empire Securities and General Trust, Drayton Consolidated Trust, Utster TV, Paster Calif Ott, Esstern Produce, Fund Ess- trents, Grand Central Investments, Husbish- breics, Grand Central Investments, Husbish-	Pinale BDA Holdings British and Cotenousealth Marks and Spaces

Staley rejects Tate bid and starts talks with third parties

It said it had been in talks with unidentified third parties about the possible sale of the entire group or one of its principal basi-

The Illinois-based company said it was exploring a variety of options to thwart the Tate offer. In a filing with the US Securities & Exchange Commission, Staley said it expected shortly to enter into confidentiality agreements and provide information to certain third parties, after which substantive negotiations would be the

Last night Tate was studying the Staley rejection, which had been expected. Tate owns just under 5 per cent

Of Staley.
On Wall Street, Staley shares rose \$1 to \$37% by early afternoon, reflecting the belief that Tate will have to raise its \$32

Staley Continental, the US corn syrup and food disribution group, yesterday rejected the \$1.33bn (£702m) takeover bid from UK sugar refiner Tate & Lyle. methods of increasing the value of its shares.

In addition to a "white knight" sale, these included restructuring or recapitalisation, sale of equity or other securities to a third party, creation of a joint venture

or a leveraged buy-out.
Staley also delayed, at least until May 4, the implementation of one part of its "poison pill" defence which otherwise would have automatically taken effect today.

The rejection came 13 days after Tate launched the hostile hid, with which it hopes to add corn-based sweeteners to a North American product range which already includes came and beet

Com products account for 65 per cent of US demand for industrial nutritive sweeteners. High fructose corn syrup, for example, is used in 95 per cent of non-diet soft drinks in the US.

Defence subsidiary forces Ropner down to £4.13m

A DRAMATIC downturn in the profitability of the defence sub-sidiary helped depress pre-tax profits at Roymer, the mini-con-plemerate, by £1.45m to £4.18m lest year.

The 26 per cent decline in over-all pre-tax profits masks a huge fall in the contribution from Air-tech, the defence communica-

tions company. However Hosel-ock, the garden products company, had a good year. Airtech made profits of just £163,000 last year, against £3.74m in 1986. The impact of this on group profits was mitigated by the contribution from Hozelock,

which made 22.34m against £1.81m the previous year. Mr.
Roger Winter, finance director,
şaid that Airtech had been
unable to win any significant
amount of business after its contribution to the Ministry of Defence's Ptarmigan project came to a half in the first buil of

the year, and Ropner's at He said that Airtech's order only 1p at 118p.

book was at an extremely low level, and that new business was more difficult for sub-contractors to come by in the era of competi-tive tendering for MoD contracts. By contrast, demand for Hozel-ock's range of sprinklers, hoses, barrows and other garden prod-ucts was strong last year despite

a wet summer.

Insurance broking returned to profitability after the closure of the US operation, making £97,000 (£140,000 loss); property made £1.32m (£964,000); shipping made £1.87m (£1.36m)

Group turnover fell from £54.85m to £52.07m, and earnings per share edged down Ip to 9.5p. interest payable was £1.8m (£2.25m), reflecting lower group hormories of £14.2m (£21m) borrowings of £14.2m (£21m), The directors recommended that the final dividend be maintained at 4p, making 7p for the

year (6.5p).

The fall in profits had been anticipated by the stock market and Ropner's shares closed down

Herring Son and Daw surveys market debut

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

Hearing Son and Daw aims next been incorporating and mergers month to become the fifth char-have proliferated in an atmofered surveyor to take a full list-ing and the first since the market

crash last October.

Hoare Govett will offer investors 25 per cent of the capital to raise £2.5m and capitalise the company at about £10m. All of the funds raised will be put back into the business, partly to finance acquisitions and partly to expand the rating side of its activities, to brenare for the activities, to prepare for the introduction of the uniform busi-

ness rate in 1990.
In terms of turnover, Herring will be the second largest chartered surveyor on the market, after Debenham Tewson and Chinnocks. Other surveyors which have recently sought listings are Baker Harris Saunders, Fletcher King and Sinclair Goldsmith. De Morgan has a quota-tion on the USM.

This listing and those which

preceded it are part of a general realignment among chartered

sphere of heightened competi-

Herring was established in 1773. It became an unlimited com-pany in 1973 and was incorpo-rated with limited liability last year. It is active in the agency, investment and building services sector, but has a strong rating department. Latterly it has been expending that specially shad a service. expanding into specialised areas of the property business, dealing, for example, with the motor

Pretax profits at Herring have grown from £168,000 in 1984 to £1.09m in the year to January

SEET US buy

Scottish English & European Textiles, fabric and clothing manufacturer, is to buy the Home-maker chain of 19 bedlinen and surveyors. Old partnerships have hathlinen shops in the US.

Are your company's shares properlý valued?

If they are you already know how important your institu-tional shareholder relationships are.

On the other hand, if your share price fails to reflect your company's true value, you are doubtless developing an investor relations programme to improve your shareholders' understanding of your business strengths. Either way iE2 should be a part of your thinking.

iE2 is dedicated to fostering effective long term understanding between institutions and public companies. Up to 80 public companies will join iE2 in hosting an expected 1,500 fund managers, analysts and pension fund trustees at the Queen Elizabeth II Centre, London -

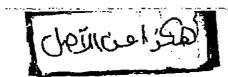
4th - 6th October this year Each company will tailor its participation to suit its own requirements, from one-to-one briefings to large formal

presentations, from small private lunches to major cocktail receptions. For 3 days, in private, top management can reach hundreds

of fund management groups from the UK, Europe, North America and the Far East. So, if investor relationships are important to your

company, then iE2 merits your closest consideration. For information or an initial discus-

sion, call Anthony Greaver, Victoria Goodenough or Nige Johnson-Hill on 01-948 5166. International Equity Information Exchange 243-253 Lower Mortlake Road Richmond Surrey TW9 2LL



direct exports reached £11m.

in place for continued growth

in the group's retail and mannfacturing activities, one thing

With our forward strategy

Austin Reed will always

AUSTIN REED

be a cut above the rest.

3 1 1 1 1

UK COMPANY NEWS

Vert moves up 29% to end at £4m

into retailing, yesterday unveiled a 29 per cent increase in pre-tax profits to 24m in its last financial year.

The group's sales rose even faster to £23.4m (£16.1m) in the year to January 19 1988. But the scale of investment in the expansion of the company's retail activities, thestrengthening of the management tham and the cost of new

Earnings per share increased to 28.1p (21.6p) and the board proposed to increase the final and total dividend to 8.5p (7p).

Within the UK, sales rose to

of 11 units. Retail sales – included in the UK total – rose to £2.6m (£1.6m). Mr

Over the past two years Jacques Vert has built up its business overseas. Export sales more than doubled to £2.9m (£1.4m) last year, as a result of growth in the US and Europe. Mr Green said that, although the strength of sterling may make experting to the US more difficult, it has not affected overseas sales so far.

Propeller, men's leisure and casual wear group floated on the Third Market last November, produced turnover of £6.04m and pre-tax profits of £418,000 in the year ended January 31 1988.

Of the figures, £2.83m and £156,000 respectively were earned in the first seven months when the company was still controlled by Corton Beach. The profit of £261,000 made in the remaining five months exceeded the group's forecast of not less than £245,000 Mr Mike Keen, chairman the current year had started well with orders substantially ahead. Trading would benefit from a full year's contribution from the sweathirts and T-shirts division, which had been completely integrated. Knitwear was being introduced and profits would come into the second half. The group's production plants are operating at full capacity and it is currently considering expansion. Mr Green is deciding whether or not to replace some of the

forming sectors in the wake of pany has clinched the do only both its sectors, but the rest of the stock market too. In the past Jacques Vert has earned its premium with a formula of tight cost control and efficient production. For the future it waxes confidently about the scope for organic growth within the home market; and cheerfully dismisses its overseas sales as "too small" to waste time worrying about exchange rates. Jacques Vert should muster £5.5m this year and a prospective p/e of 9½. Undemanding.

rrading of shares in JH Wood-ington, women's footwear com-peny, were suspended yester-day pending the issue of a circular to shareholders.

Jacques | Wm Low climbs 33% to £4.57m

William Low, the Dundee-based supermarket group, lifted its operating profit for the six months ending March 19 by 38 per cent to £5.62m — well shead of City expectations. This was achieved on turnover up from fixer an interest charge of £1.05m, pre-tex profit was £4.57m, up 35 per cent from £3.45m.

After an interest charge of £1.05m, pre-tex profit was £4.57m, up 35 per cent from £3.45m.

The results follow a one per cent came from the six point improvement in its interim dividend of 5.59 (5p).

Tarinover in volume terms, and the sale of its Lowreeze business, was up 10.5 per cent, of the end of the year, making a total of 700,000 sq ft.

While this pace of development raised barrowings at the close of its half-year accounts, the publishing to making a proceeds from its recent issue of 32.66m £1 convertible preference shares brought its gearing down from £5 per cent to below 5 larger full-facility stores.

Turnover in volume terms, and the sale of its Lowreeze business, was up 10.5 per cent, of the end of the year, making a many plans. The company's ordinary shares total of 700,000 sq ft.

While this pace of development raised barrowings at the close of its half-year accounts, shares closed at 113p, up 5p.

Deadlock broken at Unichem

Farmers wins bid hearing delay

Savage issue to

Farmers Group, the US insurer, has won a postponement of a key regulatory hearing in Los Angeles over the hostile \$4.5m (£2.4m) hid for the company by RAT industries, the UK tobacco, retailing, paper and financial services group.

A California Superior Court indge has ordered the state'e insurance commissioner to reschedule the start of the hearing from May 4 to May 23, Farmers said yesterday.

This represents a small tactical victory for Farmers, since it

This represents a small tactical victory for Farmers, since it

Total cannot receive for postponement, evidence indicating that there were what Farmers called "fundamental gaps" in BAT's original Form A, the principal document which companies have to file with state insurance regulators when they apply to take over a locally-domiciled insurar.

BATUS. BAT's main US subsidiary, said yesterday it was pleased that Judge Vogel's order assured a decision early in June hearing are all two weeks after the bearings end.

According to Farmers, Judge Vogel's order assured a decision early in June which we expect to be favourable to the company of the company. After to take over a locally-domiciled insurar.

BATUS. BAT's main US subsidiary, said yesterday it was pleased that Judge Vogel's order assured a decision early in June which companies have to file with state insurance company, yesterday announced to take over a locally-domiciled insurar.

BATUS. BAT's main US subsidiary, said yesterday it was pleased that Judge Vogel's order assured a decision early in June which companies have to file with state insurance company, yesterday order assured to take over a locally-domiciled insurar.

BATUS. BAT's main US subsidiary, said yesterday it was pleased that Judge Vogel's order assured a decision early in June assured a

Savage is paying 25.4m for Habitat, a homecare products specialist, and 21m for a 20 per cent stake in Triplex, distributor of power tool accessories.

The rest of the proceeds of the placing and open offer of the con-vertible shares will be used to reduce gearing to about 60 per

MR JOHN NEWBOULD, a chemist from Rotherham, has broken the deadlock in the sage of Unithem twould be considered whether been received, he would have to considered whether the co-operative of independent chemists currently subject to an unwelcome planned.

Mr Peter Dodd, chief executive of the EGM within 10 days.

Mr Peter Dodd, chief executive of Unichem, dismissed Mr Newbould has assembled the necessary support of over 500 wholesale chemist competitors—

but conceded that once a valid requisition for the meeting had been received, he would have to send out notice of the EGM within 10 days.

Macarthy, which is also believed to have won the support of 10 per cent of Unichem members for an EGM, has so far not declared its hand. A spokesman

pension

Pearson in

a new independent fund which would have considerable protec-tion against a predator making a successful bid for the group.

Successful bid for the group.

The move comes at a time when Pearson is surrounded by considerable bid speculation, following the build-up of a 20.5 per cent stake in the group by News Corporation, the media business headed by Mr Rupert Murdoch.

As part of the package, the Financial Times also announced yesterday that it would make contributions to the pensions of employees who opted out of the Pearson scheme under the Government's portable pensions legislation. This move is believed to be highly unusual. Only one or two other companies are thought two other companies are thought to have announced they will be contributing to personal pension plans on the same scale.

Peel £30m debenture

requisition for the meeting had been received, he would have to send out notice of the EGM within 10 days.

Macarthy, which is also believed to have won the support of 10 per cent of Unichem members for an EGM, has so far not declared its hand. A spokesman said yesterday that the latest development would bring pressure on Mr Dodd to agree to a takeover — but Mr Dodd said yesterday that he would only be prepared to meet Macarthy if the terms of its offer were "substantially" improved.

Mr David Brown, Savage chief executive, said yesterday there was significant scope to increase sales of Triplex and Habitat product and Habitat product ranges outside France.

Habitat's distribution network would also provides Savage with the opportunity to increase sales of its offer were "substantially" improved.

PORCHER TEXTILE has acquired

BURLINGTON GLASS FABRICS

from BURLINGTON INDUSTRIES INC.

BANEXI

The Paris based Merchant Bank of Banque Nationale de Paris advised PORCHER TEXTILE

BANEXI and **BANQUE NATIONALE** de PARIS (New-York Branch)

arranged the financing

COMMERZBANK #

«Quality is the cornerstone of achievement»

Focus on global investment banking

Healthy earnings performance in 1987 – Dividend maintained

Commerzbank succeeded in posting impressive results in a difficult 1987, which saw both the Bank's business volume and market share-domestic as well as international - grow, reflecting its inherent strength and resilience. Earnings for both the Parent Bank and the Group continued strong, but did not quite match their 1986 record levels - largely due to adverse conditions in the securities markets. Commercial banking activities re-

Commerzbank Group Highlights DM billion 1987 1986 Total assets 161.7 148.2 Total lending 102.7 109.0 Borrowed funds 153.5 140.3 Capital and reserves 5.1. 4.9 Net income (DM million) 423 408

mained brisk though, with aggregate lending expanding considerably, especially at the longer end.

The Group's equity base was reinforced yet again, and has now reached over DM 5 billion. Investments in staff and banking technology were once more stepped up. The year's good results have enabled Commerzbank to maintain a dividend of DM 9 per DM 50 nominal share.

In line with one of its major strategic goals for the 1980s, Commerzbank has further extended its international investment banking capacity. In Tokyo, Commerz Securities (Japan) Co. Ltd. was opened in mid-1987. In New York. Commerzbank Capital Markets Corporation started operations this March. Shortly before, the Geneva branch of the Bank's Zurich subsidiary, Commerzbank (Switzerland) Ltd, was established. Another subsidiary, Commerz International Capital Management GmbH, was formed in Frankfurt to provide multicurrency asset management services to international institutional investors.

· Also backed by its extensive German-based facilities and the securitiesrelated activities of its London, Luxembourg and Singapore outlets, Commerzbank is now well positioned to offer high-quality investment banking services in the world's major markets.

Figures for the early months of 1988 point to another successful year. the results of which Commerzbank expects to compare favorably with those achieved in 1987.

For further information, please contact: Commerzbank AG, PR Dept (ZVK) PO.Box 1005 05, D-6000 Frankfurt 1, West Germany Phone: (69) 13 62-1, Telex: 415 253 76



International Network: Amsterdam, Antwerp, Atlanta, Barcelona, Beijing, Brussels, Buenos Aires, Cairo, Caracas, Chicago, Copenhagen, Geneva, Hong Kong, Istanbul, Jakarta, Johannesburg, London, Los Angeles, Luxembourg, Madrid, Manama (Bahrain), Mexico City, Moscow, New York, Osaka, Paris, Rio de Janeiro, Rotterdam, São Paulo, Singapore, Sydney, Tehran, Tokyo, Toronto, Zurich,

By Alice Revethorn

Jacques Vert, the USM-quoted womenswear manufacturer which is expanding rapidly into retailing, yesterday

A STATE OF THE STA

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id Day

trengthening of the management team and the cost of new warehousing facilities took their toll on profit margins.

Mr Alan Green, joint chairman, said that the group was investing in the future, by building up its infrastructure "for the next phase of growth".

Exemplays per shape increased.

20.1m (£14.7m) reflecting the growth of wholesaling activities as well as the expansion of retailing. During the year Jacques Vert added three new shops to its established chain

rose to £2.6m (£1.6m). Mr
Green plans to open seven
more shops by the end of this
financial year.

He said that the retail chain
would continue to expand, but
that the group would only
open in sites which would not
compete directly with its
established, efficient wholesale
customers.

He said that the all three factories are now "fully booked up" to meet demand for the present year and that the retail chain is also showing sales growth.

In theory Jacques Vert's share price should be in the doldrums. It is after all a memthe market crash: textiles and small companies. Yet the comcoup of outperforming not only both its sectors, but the

Woodington suspends

Trading of shares in JH Wood-

Control changes Viking at Assoc Energy Resources

MANAGEMENT control at Asso-ciated Energy Services, the USM quoted boiler maintenance contractor and catering equip-ment group, has passed to Gleves Investments.

Cleves bought a 14.9 per cent stake in the group including shares owned by chairman, Mr Maurice Fulletten the "comman, Mr Maurice Fulletten the "comman, Mr

Maurice Fullerton, the "company doctor" who moved into AES at the end of 1985. Mr Fullerton has pulled the company out of the red but it still remains weighed through share purchases and property purchases was adopted. But hedging investment in UK gilt-edged securities had "stood the company in good stead", and Viking had \$4.8m available for down by borrowings. Mr Leonard Lee, Cleves manag A final dividend of 1.45p makes a total of 2p (same). ing director, will become AES

Falcon reconstruction delayed BY PHILIP COGGAN

Propeller tops £0.4m

and orders well ahead

The capital reconstruction of Fal-con Resources, oil company, will have to await the conclusion of bankruptcy court hearings in Houston, Texas. Mr Jonathan Rosen and Mr Oliver Jessel, who recently took management con-trol, are hoping to wind up FAE, the company which was operat-ing the croun's oil and ass fields ing the group's oil and gas fields in the US.

man Mr Ronnie Monk and Mr Bill Andran. Mr Monk is still on the board and is locked in dis-pute with Mr Rosen and Mr Jes-

are still facing a long wait before they see the resumption of deal-ings in the shares, which were ings in the shares, which were suspended in October 1985.
When the case is settled, Mr Rosen and Mr Jessel hope to inject new capital into Falcon and re-list via the establishment of a new holding company, Louisiana Interests.

FAE is one-third owned by a subsidiary of Falcon. The other two-thirds are owned by compa-nies controlled by former chair-

RESULTS for the year ended 31 December

Profit before tax	1987 £4-81m	1986 £3-11m	INCREASE 55%
Group turnover	£53-91m	£41-12m	31%
Earnings per share	26-85p	18-90p	42%
Dividends	8-25p	6-50p	27%
Ronus chare issue	One for five		

Prospects for 1988 Excellent opportunities for further expansion. Profits will advance substantially in our centenary year.

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Earlier in the week Biwater amounced it had received acceptances equivalent to 45.83 per cent of East Worcestershire's voting capital and that the bid, which values the water company at about £2.98m, had received clearance from the Office of Fair Trading.

Lyomadse said yesterday that it had increased its stake in Bristol Waterworke Company, to about 17 per cent.

On Tuesday, Lyonnaise

On Tuesday, Lyonnaise est growth in marketing services.

revealed a 15.5 per cent holding in Bristol Waterworks, which limits shareholders to a very small number of votes, irrespective of the size of their stake.

Addison

up 33%

prior to

demerger

in the water business especially since East Worcestershire, unlike some statutory companies, does

not limit the voting rights of its shareholders.

Rule 8 of the Taksover Code specifies that anyone owning or dealing in 1 per cent or more of a company involved in a bid should declare any such dealings before 12 noon on the business day fol-

Nikki Tait examines the options facing Crescent Japan shareholders

Trusting in an established record

International investors in commercial property **ANNUAL RESULTS 1987**

	1987 £'000	1986 £'000
Net Rental Income	25,419	22,850
Profit before Taxation	13,204	10,764
Earnings per Share	11.94p	9.79p
Value of Investment Properties	£414 million	£344 million
Net Asset Value	£249 million	£185 million

- ☐ 11.2% increase in net rental income.
- □ 22.7% increase in profit before tax.
- □ 34.2% increase in net asset value.
- ☐ Final dividend of 4.80p per Ordinary Share proposed, making a total dividend for the year of 7.80p per share an increase of 20.0%.
- □ Valuation surplus on completed and let properties -£61.7 million.

The above figures constitute an abridged version of the year's results. The full accounts which will be posted to shareholders on 20th May 1988 have not yet been reported on by the Auditors. They will be filed with the Registrar of Companies following the Armual General Meeting to be held on 22nd June 1988.



Brixton



John Lewis plc

£150,000,000

Multiple Option Facility

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Facility & Tender Panel Agent NM Rothschild & Sons Limited

April, 1988

mbe for or purchase any shares. Application has been made to the Co use capital of the Company, sessed and now being lessed, to be ad-

JOHNSTON PRESS plc

Johnston Press is a publisher of weekly paid-for and free newspapers. It publishes 50 newspaper titles at 11 operating subsidiaries in Scotland and England. The Group also prints more than 70 publications for other publishers and has two colour printing and two specialist typesetting businesses.

Placing by Hill Samuel & Co. Limited

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Listing particulars relating to the Company are contained in new issue cards circulated by Extel Financial Limited and copies may be obtained during normal business hours on any weekday (Saturdays and bank holidays excepted) up to and including 6th May, 1988 from the registered office of the Company at 53 Manor Place, Edinburgh EH3 7EG and:

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and during normal business hours up to and including 26th April, 1988 from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 281. 22nd April, 1988

Lyonnaise acquires 12.5% All-round of East Worcs Water helps Etam

The statutory company is the subject of an agreed bid from Biwater, a private water contrac-

tor, and the panel is thought to be investigating a possible breach of rule 8 of the Takeover Code by

Lyonnaise and its advisers, Bank-

by Edinburgh Fund Managers. Crescent's future will be

the words of one analyst,
"scarcely represents the indusiry's Waterloo".

Yet the tussle has commanded
a good deal of attention. For a

By Maggie Uny

growth

INTERNAL GROWTH and acquisitions boosted annual pre-tax profits of Etam, clothing retailer, by 46 per cent to £17.9m.

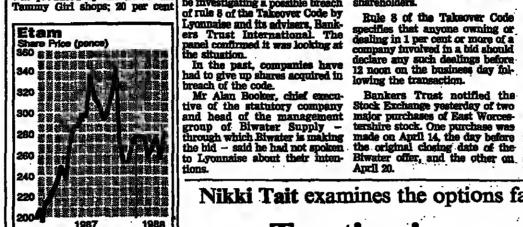
to £17.9m

Lyonnaise des Esux, the last of the hightest french water suppliers to announce investments in the UK's statutory water companies, yesterday said it had acquired 12.5 per cent of East Worcestershire Waterworks Company.

Earlier, East Worcestershire and hoped to pool their asked for its ahares to be suspended pending an announce meant from the Takeover Panel.

The statutory company is the subject of an agreed bid from six a particular of a large shareholder also accide to fan agreed bid from six a particular of a large shareholder also accide to fan agreed bid from six and acquired to the water business especially since East Worcestershire waterworks Company is the subject of an agreed bid from six and acquired to the particular of the parti In the year ended January 30, sales rose by 43 per cent to £113.9m. Mr Miles Drake, finance sales rose by 43 per cent to £113.9m. Mr Miles Drake, finance director, said that 13 per cent of the gain came from the Snob and the gain came from the Snob and suspended pending an announcement from the Takeover Panel. Peter Brown businesses bought in May last year.

Another 30 per cent of the rise was produced by the Etam and Tammy Girl shops; 20 per cent



from volume growth in existing stores, 9 per cent from new stores and 1 per cent reflecting price "IF Crescent Japan goes, are any of us safe?" That was the grim thought passing through one rival fund manager's mind, as he contemplated the fate of the

Mr Drake said that in the first 11 weeks of the current year sales were running ahead by roughly

By the year end the group had Crescent's future will be 175 stores with total sales area of known shortly after. 3 pm this 473,000 sq ft, a rise of 40.5 per afternoon when shareholders vote on rival motions — one suggesting that the trust continue as at present, the other requesting the board to turn it into a unit trust.

Capital expenditure totalled £14.8m, with the two acquisitions costing £11.9m. A share placing last August raised £33.6m and left the group with net cash of £30.8m. last August raised £33.6m and left the group with net cash of £30.3m.

Net interest receivable rose to £1.1m (£202,000). Earnings per share rose almost 33 per cent to 19.6p. A final dividend of 4.45p is recommended to give a total of 6p (4.7p).

Last August raised £33.6m and left trust.

At one level, the Grescent battle is nothing remarkable, Reorganisation schemes — pre-emptive or forced — hava mushroomed in the sector recently, and the fund could not be classed as one of the industry's heavyweights. Its fate, in the words of one analyst.

Etam's good figures were not mexpected, and owe something to comparison with a difficult period the year before. Nevertheless, the group has done well to increase sales by so much when other women's clothing retaliers have been suffering, and the shares added 7p to 28tp on the shares added 7p to 28tp on the shares added 7p to 28tp on the news. Etam appears to have been suffering, and the shares added 7p to 28tp on the news. Etam appears to have been suffering and the shares added 7p to 28tp on the news. Etam appears to have been suffering and the shares added 7p to 28tp on the news. Etam appears to have been suffering and the shares added 7p to 28tp on the news. Although the shares added 7p to 28tp on the news. Although the shares added 7p to 28tp on the news. Although the shares added 7p to 28tp on the news in the standards and integrate its systems. With plenty of the final tracked the Tokyo marked fast to get Snob and Peter Brown up to its standards and integrate its systems. With plenty of the first decade after formation, more prices when compared to the trust's underlying assets.

**Real to good deal of attention. For a group last companied to the marketing that Crescent's possibility of tapping foreign on the issue on its record.

There is the rub. The industry more vulnerable than ever.

There is the rub. The industry more vulnerable than ever.

There is the rub. The industry possibility of tapping foreign of the fund tracked the Tokyo market fast to get shad similar to the fund tracked the Tokyo market fast to get shad similar to get to the fund tracked the Tokyo market fast to get of trusts's bare and additional tracked the Tokyo market fast to get of trusts's bare to get of trusts's bare to get of trusts's bare to get of trust's bare to get of trust's to get on the proposition of the traditional tracked the trust's are group of the get of the group of the get of the group of the group

cash in at around 96 per cent of ers would be grateful to have net asset value (assuming the Crescent'e overall record on their fund managers take about half the maximum termination fee).

The country of the grateful to have net asset value (assuming the crescent'e overall record on their the maximum termination fee). side. While a few shareholders may cast envious eyes at a sterling-adjusted Tokyo index, it is difficult to be very dissatisfied with an investment which has multiplied almost 15 times in as many years. Hence the reasoning that Crescent's possible demissalesves everyone in the industry more vulnerable than ever.

There is the rub. The industry's problem can be stated simply. Total assets held by investment trusts are around £20km. Institutions, in turn, hald around

But perhaps the more interesting point is that — in contrast to many fellow targets recently. Crescent has not resigned itself to its fate or produced a preferable reorganisation scheme of its own. Instead, it has boldly fought the issue on its record.

that many of the industry's long-term holders are now heavily involved in marketing their own rival unit trusts.

Either way, the recent wave of agitation by discount-strippers appears to have concentrated minds anew on the problem of where replacement investment—amounting to as much as £10bn—wight come from.

might come from.
The most obvious solution

would be to tap the private inves-tor market. With envious eyes cast at the £6.3bn which flowed into the unit trusts during 1987, there is one school of thought which believes that a renewed marketing effort on the back of the new Financial Services Act, the new Financial Services Act, could at least ease the problem, Philip Chappell at the Association of Investment Trust Companies, argues that new rules insisting that intermediaries give "best advice" could favour investment trusts given their sensemble between the country of the consentration of the

the seven-strong band of US stripped out — has been consider any fix is reckoned that perhaps whether all that begins to add investors, centring around the string Grace brokerage business in New York, is proposing a straight-forward unitisation — attacking different parts of the market — on multi-shop sites should offer more opportunities. A forecast of £23m for the current year is not excessive, nor is a prospective p/e of around 125.

The seven-strong band of US stripped out — has been consider any fix is reckoned that perhaps whether all that begins to add investors, centring around the sally less impressive (see graph). And, as the US concert party has highlighted merchessly, the fund: The explanations are twofold. The kinder argument is that closed-end investment trust into a unit trust where price and underlying assets are directly year is not excessive, nor is a prospective p/e of around 125.

The seven-strong around the sally less impressive (see graph). And, as the US concert party has highlighted merchessly, the fund: The explanations are twofold. The kinder argument is that closed-end investment trust into closed-end investment trust into a unit trust where price and underlying assets are directly related. The move, it calculates, a prospective p/e of around 125.

That said, many fund manage.

Helical Bar in modest rise as profits source widens

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

Helical Bar, the property company run by Mr Michael Slade, Dumbar portfolio.

yesterday announced a modest increase in pre-tax profits for the launched a development proyear to January 1988 but disclosed that the source of its profclosed that the source of its profits had markedly widened.

year to January 1988 but disclosed that the source of its profits had markedly widened.

The proposed final dividend of springs total payments for the year to 3.4p, compared with 0.4p in 1987 came out at 27.16m (26.66m) and earnings per share rose to 22.1p (20.2p).

Over the last financial year, Helical Bar has undergone a seachange. In 1986, 80 per cent of its profits came from the sale of one City development in Chiswell be no contribution this year.

The slack has been made up largely from trading industrial properties and closing out the company's position in residential property. Helical Bar's most notable acquisitions were the commencial property estate of the Aycliffe and Peteriee Develop-

S CO-OPERATIVE BANK P.L.C.

£75,000,000

Subordinated Floating Rate Notes 2000

Holders of Floating Rate Notes of the above issue are hereby notified that for the interest period from 21st April, 1988 to 21st July, 1988 the following information

1. Rate of Interest: 8% per annum

£1,041.15

2. Interest Amount payable on Interest Payment Date:

£104.12 Per £5,000 nominal or

Interest Payment Date:

21st July, 1988

Per £50,000 nominal

Bank of America International Limited

KONINKLIJKE WESSANEN NV

Payment of dividend

At the annual General Meeting of Shareholders held on 21 April 1988, the dividend for the 1987 financial year was set at Dfl. 2.24 for each ordinary share with a nominal value of Dfl. 5. Since an interim dividend of Dfl. 0.64 has already been made payable, the final dividend will be Dfl. 1.60.

The undersigned hereby states that the final dividend shall be payable as of 6 May 1988 on Bearer Depositary Receipts ("BDR's") issued by the company, in the following way:

- no. 5 dividend coupon; Dfl. 0.52 in cash

- no, 6 dividend coupon: Dil. 1.08 in cash or Dil. 0.10 in shares from the share premium account; these new shares shall be fully eligible for profit sharing

25% dividend tax will be withheld on cash payments.

The final dividend or part of the final dividend will be payable in cash at the head offices of the Amsterdam-Rotterdam Bank N.V., Pierson Heldring & Pierson N.V., Algemene Bank Nederland N.V., Bank Mees & Hope N.V. and Nederlandsche Middenstandsbank N.V. in Amsterdam.

If BDR holders wish to receive payment on no. 6 dividend coupons in BDR's, they will be issued with a new BDR with dividend coupon no. 7 et sec. on submission before 6 August 1988 of 50 no. 6 dividend coupons to N.V. Nederlandsch Administratie- en Trustkantoor, N.Z. Voorburgwal 326-328, 1012 RW Amsterdam.

In so far as no. 6 dividend coupons have not been submitted by 8 August 1988, the relevant BDR's will be sold; the net proceeds will then be held at the disposal of holders of no. 6 dividend coupons which have not been

Members of the Association for Security Transactions will be paid the official commission when exchanging no. 6 dividend coupons - which should bear their official company stamp - so that holders will not be liable to pay

The rights to payment of holders of BDR's of the CF type shall be made available through the institutions with which dividend sheets for their certificates are deposited at the end of the working day on 21 April 1988.

Amsterdam, 22 April 1988

Stichting Administratiekantoor van aandelen Koninklijke Wessanen NV.

CGE: NET INCOME

DOUBLES IN 1987

The American

iemerger

Cord

THE THE PROPERTY OF THE PROPER

Compagnie Générale d'Électricité

At its April 6, 1988 meeting chaired by Pierre Suard, the Board of Directors of Compagnie Générale d'Electricité (CGE) closed the accounts for fiscal 1987. CGE Group consolidated net income amounted to FF 3,388 million in 1987 as CGE Group consolidated net income amounted to FF 3,386 intainen in 1807 as compared to FF 1,721 million in 1986, an increase of 97%. Net income was equal to 2.7% of consolidated sales which totalled FF 127,5 billion, as compared to an income-to-sales ratio of 2.1% for 1986. Two factors account for the 1987 advance: the improved profits achieved by the group's large energy, communications and cables subsidiaries to which were edded for the first time the results of the

activitias acquired by CGE from ITT on December 30, 1986.

After deduction of minority interest, CGE's share in 1987 net income amounted to FF1,832 mil-lion as compared to FF1,159 million in 1986, an increase of 58 %. Calculated on a capital base comprised of 68 million shares, a figure which excludes the shares held by

group companies, net income per share was FF 27.80. Parent company net income amounted to FF 1,184 million in 1987, an increase of 34% over the 1986 figure of FF 882 million. Operating income before taxes socred to FF 1,202 million from FF 317 million in 1988. This strong advance reflects the substantial growth in dividends received from subsidiaries and investments with the first dividend payments from Alcatel NV and Framatoma and an overall increase in dividends from other subsidiaries.

The Board voted to propose that the Shareholders' Meeting declare a total dividend of FF 529 million, a 180 % increase over the FF 188 million paid out in 1986. The total 1987 dividend corresponds to a per share dividend of FF 7.50, excluding tex credit, paid on the 70,535,391 shares comprising the Company's capital, and to a gross per share yield of FF 11.25 including the tax credit. Dividends are scheduled to be payable as from June 27, 1988.

The Board regretfully accepted the resignation of one of its members, Jacques Raiman, and appointed Frank Drendel to replace him subject to approval by the Share-holders' Meeting.

The Board also voted to propose that the Shareholders' Meeting appoint as Statutory Auditors, Frinault Fiduciaire, represented by Jean-Pierre Vincent, and Cabinet Payer et Associés, represented by Francis Payer, and as Deputy Auditors of Frinault Fiduciaire and Cabinet Payer et Associés respectively, Michel Angot

In order that shareholders may approve the 1987 financial statements and vote on its proposals with regard to the dividend payment and the appointments of one director and the auditors, the Board of Directors decided to convene the Annual Shareholders' Meeting on June 15, 1988 at 2:30 PM at the Théâtre National de Chalifot in Parls.

Hestair, employment agency. agency business, Hestair is mak-consumer products and engineering its eighth acquisition there. In 1987-88 profession of Goodfriend Industrial Services, a consumer products and engineering its eighth acquisition of employment agencies are trading on prospective p/es of about 17, its and a £5.34m acquisition in the US. Mr David Hargreaves, chairman, said that in the first two

Hestair surges 82% and

expands further in US

of 38m shares, most of which are being offered to shareholders. Deferred consideration for premonths of this year the company was way ahead of budget and a long way in front of last year. The UK employment agencies vious acquisitions means share-holders are being offered 5.25m shares at 270p on the basis of had started sensationally. Near doubled profits of £8.95m four for every 37 held.

Hestair now has 130 branches in the US and says higher than from employment agencies, con-tract computer staff, property and health care helped to boost expected profits being achieved group pre-tax profits in the year to January from £7.33m to by them outweigh any weakness of the dollar. Its target is 200 £13.35m. Turnover was up from £135.22m to £216.83m.

period of 1987-88. The bus and coach division was showing a 162

per cent improvement.

After tax last year of \$2.46m

(£760,000) earnings per share were 34 per cent ahead at 24.3p

(18.1p). The final dividend is 8.4p, making a total for the year of 5.4p, a

20 per cent rise.

Almost a year after first moving into the US employment

In consumer products Kiddi-In consumer products Kiddi-craft, the toys group, was helped to more than film pre-tax profits in 1987-88 by increased TV adver-tising. Hope's, the educational supply business, made only lim-lted gains, partly because of intense competition from Hollis. Trading profits of the engineering division improved from £1.8m to £3.44m and consumer products from £2.98m to £3.48m.

Mr Hargreaves said the engineering order book this year was \$20 per cent up on the comparable 60 per cent np on the comparable

comment

Goodfriend industrial Services, a on prospective p/es of about 17, but if Hestair makes pre-tax profits of 22m this year its multiple ion, will be satisfied by the issue will be around 9. Hestair is of tair reckons it can grow US turn-

course not just a services com-pany but this year about two thirds of profits will come from that source. And the majority of the services division's profits will touching 293p. come out of the US, where the temporary payroll is growing by about 13 per cent annually. Hese group's office properties in the over by 25 per cent and profits by considerably more, investors are perhaps held back by the company's involvement in engineering, but e booming buses market should help this division to raise City of London, and to the under-

profits by perhaps another 70 per cent. Hestair likes to make acqui-sitions on e region-by-region basis, so there is no danger of an issue of shares like that of its competitor, Blue Arrow, last year. The Americans are right: Americans apparently find it from the market.

Improving margins help Austin Reed to pass £8m

Austin Reed, the classic men's open the first European unit later and women's wear group, yester-day announced a 32 per cent On the manufacturing front

increase in pre-tax profits to the group has expanded its profits for the year ended January duction capacity in Crewe and 31 1988, on sales ahead 9 per cent has just hought a small "satellite" factory, it will continue to Mr Barry Reed, chairman, said expand its women's wear. the group's performance reflected "outstanding" trading in the first

half of the year, followed hy

dend of 5.5p making 8.5p (6.5p) for the full year.

Austin Reed is involved with year had begun well, with retail both retailing — which provided sales showing growth of 11 per cent. both retailing — which provided 76 per cent of sales — and mannfacturing. It sports 41 shops in Britain and Holland, all now stock women's wear for the first

It opened its first new shop for

some time - in the City - last autumn. "The shop opened on the day of the hurricane and three days before the stock mar-ket crash, but is trading very well," said Mr Reed.

The group plans to open more shops in the next few years. Mr Reed envisages an eventual chain

Mr Reed expects its contribu-tion to retail sales to rise from 19

to 25 per cent over the four years.
The only difficult area of trading was licensing in the US,
where sales increased but income
fell slightly because of the dollar's decline. This was offset by a
course. good progress in the antumn.

A growth in earnings per share ing was licensing in the US, to 18.7p (14.1p) reflected both the buoyant pace of trading and the improvement in margins.

The board proposes a final divi-

comment

In the past Austin Reed has tended to be dismissed as one of the sleepier elements of the cloth-ing industry. No more. Behind the genteel facade of its classic tailoring, it is quietly revitalising its activities. The business is already benefiting from invest-ment in store refurbishment and computerisation. This year the fruits of expansion within women's wear and new openings of 50.

It is also in the throes of a refurbishment and resiting programme. So far 15 shops have growth and the problems of Robbeen refurbished. The whole chain should be completed within about the problems of the property of the property

Brixton Estate shows growth in assets and profits

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

value per share. Squar In a strong property sector, the shares rose 15p to 290p after fringe. group's office properties in the Holborn area, adjacent to the

lying strength of the industrial property market.

At the sama Brixton announced that pre-tax profits for 1987 rose to £13.2m from £10.78m in 1986, an increase that

was at the top end of City expectetions. Earnings per share moved up to 11.94p from 9.79p. Shareholders are to receive a final dividend of 4.8p which, with the interim dividend, brings total

payments for the year to 7.8p, compared with 6.5p last year. In line with the generally strong property market Brixton's net rental income climbed to £25.4m last year from £22.8m in

This income formed the basis of a rise in investment profits to \$12.1m from £10.1m in 1966. These profits, however, will have been held down by the need to carry the costs of property holdings in the depressed Hous-

Brixton Estate, the property through a £100m development investment group with a strong programme, which includes industrial and offices portfolio, extension of its industrial estate yesterday surprised the market at Dunstable Bedfordshire, a cor-by announcing a 34.2p per cent porate centre at Feltham, Middleincrease to 302p in its net asset sex, and offices both at Finsbury Square in the City, and near Southwark Bridge on the City

Brixton said yesterday that the budget proposals on capital gains tax had been highly beneficial. It said that if all investment properties were sold at book value the new tax liability would be £16m instead of £49m previ-

Brixton is the most bigbly geared of the major British prop-erty investment groups with net debt consistently around 80 per cent of shareholders' funds. This helped enhance the net asset value when brought down to the per share level. But the underlyper share level. But the underlying factors of an increase in the value of its portfolio last year should hold good this year; the industrial market is strong and the group's City developments are pre-let. Analysts are looking for a further increase over 1988 to more then 370p a share. More industrial and office properties are becoming available for rent are becoming available for rent this year and should strengthen the revenue stream, so that pre-tax profits of £15.5m look on the cards. This would translate into on area of the US.

The group has been following earnings per share of 14.2p, giving a prospective p/e of 20.4.

Advertising decline hits Grampian TV

Taxable profits of Gramplan Television declined by 16 per cent to £1.48m in the 12 months

cent to £1.48m in the 12 months to February 29.

Sir Iain Tennant, chairman, warned of a possible setback at the time of the interim statement in November. He attributed the shortfall to "the continued drift in advertising revenoe to the continued of the country". However. south of the country". However he expressed optimism over cur-rent trading and stated that the group had made a bright start to the year and that new measures

the year and that new measures were being developed to meet growing competition.

Throver was virtually unchanged at £19.21m (£19.25m), while Exchequer Levy accounted for £192.000 against £266,000 last time. Earnings worked through at 6.49p (7.78p) per 10p share.

A final dividend of 2.07p is recommended making 2.5 (2.3a) for ended, making 2.5p (2.3p) for

the year. chain should be completed within three years.

Austin Reed also plans to expand the recently nequired Cashmeres of Scotland chain of leaves the shares, on a prospective year shops in the US tive p/e of 11, with a little further television.

Sir Iam sam that have awarent the White Paper on Broadcasting the City expects profits of at least with "some trepidation" and added that possible "disruptive interventions could seriously undermine the quality of British television".

Minorities took £3.52m (£3.42m) and dividends absorbed £686,000 (£150,000) to leave retained profit

for the year down at £1m

Analysts are looking for an

increase in pre-tax profits to

Acquisitions prompt growth at Epicure

Epicure Holdings, engineering and construction services group hased in the UK end Sweden, yesterday revealed another sizeable step foward in its recovery as pre-tax profits for 1987 expanded by 78 per cent to £1.26m.

The group, which ran into trouble in the mid-eighties. has been revamped by Mr Hakan Hammarqvist who took over as chairman towards the end of 1985.

He said that the group now had a stronger balance sheet than for many years and con-tinned to look for growth opportunities complementary to existing activities. Funding would be provided from the sale of development land and surplus properties.

The net proceeds of last May's £2.8m rights issua enabled Epicure to reduce gearing as well as funding part of the group's acquisition pro-

Engineering activities, boosted by acquisitions, accounted for some 70 per cent of group turnover which expanded by 46 per cent from £23.38m to £34.02m. The Sheffield-based Stan-

dard Piston Ring Co, acquired in October last year and merger accounted, and two Swedish companies purchased from Sandvik, Micor and Nordland, were the most significant of a number of acquisi-tions made over the year, Mr

Hammarqvist said. The figures also included a first time full year contribu-tion from the Grimaldi companles, purchased in Angust 1986. Painting and civil engineering activities recovered well after a poor start, be

added.
Earnings per 5p share rose
to 2.76p against 1.85p last
time, and the directors proposed n final dividend of 0.5p, making 0.75p (0.3p) for the

Cluff Qil Holdings plc wholly-owned subsidiary **Cluff Mineral Exploration** (Zimbabwe) Ltd.

announces the production start-up of

> The Freda Gold Mine Bindura, Zimbabwe on 10th April 1988

Mine development financed by Z\$7 million loan

provided by

Standard Chartered Merchant **Bank Zimbabwe Limited** R.A.L. Merchant Bank Limited Syfrets Merchant Bank Limited

ORANGE FREE STATE INVESTMENTS LIMITED

First interim report — 1988

The following are the unaudited income statement of the company for the six months ended March 31 1988 and abridged balance

Income	statement
III-DIII	orarament

(R million)	Six mouths ended 31.3.88	Six months ended 31 3.87	Year ended 30.9.87
Income from listed subsidiary company, Other expenditure — pet	70.5	91.1 0.3	.182.2 0.6
Profit before treation Taxation	79.1	90.8	181 6 0 1
Profit after taxation	70.1	90.8	181.5
Dividends – interim – final	70.8	90.1	90.0 91.6
	70.0	90,1	- 181.6
Increase (decrease) in retained	0.1	0.7	(0.1
profit Retained profit brought forward.	0.1	0.2	0.2
Retained profit	. 0.2	0.9	0.1
Earnings per share - cents Dividends per share - cents	311	403 400	806 807

Subsidiary company

	remained unchanged and was valued as follows:			
(R million)		31.3.88	31.3.87	30.9.87
Market value Book value		1 821.6 1 356.1	3 143.7 1 356.1	3 276.0 1 356.1
Appreciation		465.5	1 787.6	1 919.9

The company's holding of 58 761 785 shares (equivalent to a 50.58 per

The consolidated profit, after taxation, of the group for the six months ended March 31 1988 was R141.6 million (six months ended March 31 Freegold's report for the quarter and six months ended March 31 1988

Dividend

100

Company State

متناء إزاره الإيا

The final dividend (No. 4) of 407 (1986: 456) cents per share in respect of the year ended September 30 1987 was declared on October 22 1987

giving details of its operations is being published today and copies are available from the offices of the transfer secretaries.

Change of financial year end

It has been decided, for administrative reasons, to change the company's financial year end from September 30 to March 31. The current financial year of the company will therefore be a period of eighteen months ending March 31 1989. A second interim report for the twelve months to September 30 1988 will be published on October 21 1988 and a second interim dividend will be considered by the board on October 30 1989.

For and oo behalf of the board E. P. Gush Directors

Tohanneshurg April 22 1988

South Africa

First Floor Edura (P.O. Box 61051

Hill Samuel Registrars Limited

Copies of this announcement are being posted to all members at their registered addresses.

listed investment - cents

Balance sheet

(R million)	31.3.48	31.3.87	30.9,87
Share capital Share premium Distributable reserve	1.355.9 0.2	0.2 1 355.9 0.9	0.2 i 355.9 0.1
	1 336.3	1 357.0	1 356.2
Represented by: Listed investment	1 356.1	1 356.1	1 356.1
Current assets Current liabilities	70.6 70.4	91.2 90.3	92.0 91.9
Net current assets	0.2	0.9	0.1
	1 356.3	1 357.0	1 356.2
Number of shares in Issue Net asset value per share (after providing for dividend), adjusted for market value of	22 514 004		22 514 094

First interim dividend (No. 5)

On Thursday, April 21 1988, interim No. 5 (being the first interim in respect of the financial year of eighteen months ending March 31 1989) was declared as follows:

8 992

13 968

14 551

Amount (South African currency)	311 cents per share (1967): 400 cents)
Last day to register for dividend	1968
(and for changes of address or dividend instructions)	Thursday, May 5
Registers closed from to (inclusive)	Friday, May 6 Saturday, May 21
Ex-dividend on Johannesburg and London stock exchanges	Monday, May 9
Currency conversion date for sterling payments to shareholders pald from London	Monday, May 9
Dividend warrants posted	Thursday, June 9
Payment date of dividend	Friday, June 10
Rate of non-resident	=024

Share warrants to bearer

Holders of share warrants to bearer are notified that the dividend is payable orl or after Friday, June 10 1988, upon presentation of coupon marked "South Africa" and No. 5 on the side reflecting the share warrant number at the offices of First National Bank of Southern Africa Limited, Stock Exchange Branch, Diagonal Street, Johannesburg, South Africa; Union Bank of Switzerland, Bahmholistrasse 45, 8021 Zürich, Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France; and Banque Bruxelles Lambert, 24 Avenue Marrix, 1050 Brussels, Belgism, only. Coupons must be left at least four clear days for examination.

The full conditions relating to the dividend may be inspected at the Johannesburg and London offices of the company and its transfer

By order of the board Anglo American Corporation of South Africa Limited per R. S. Edmunds, Divisional Secretary

Head Office Landon Office 44 Main Street Johannesburg 2001 40 Holbom Visduct (P.O. Box 51587 South Africa

이이브

Epwin advances 16% to £2.1m

Epwin, uPVC replacement window manufacturer, yesterday announced a 16 per cent pre-tax

dend of 3.2p, making n total of boom had meant extremely strong demand for the company's products. Epwin markets windows announced a 16 per cent pre-tax

December 31 1987 was £30.5m, up from £23.9m, and net operating ncoma was £2.17m, against El 91m lest time.

After interest payabla of 255,000 (288,000), pre-tax profits were 22.11m (21.83m). After tax of 2427,000 (2544,000), carnings per

products. Epwin markets wintioning the Unlisted Securities

Market last year

Turnover for the year ended

Decamber 2 1 1000 part at Telford. However, and Total Window Systems brand the plant will give Epwin much names.

In September Province and Total Window Systems brand the long run. It was a large to the long run to the long run. It was a large to the long run to the long r the long run. It also helped Wrekin Windows, which manureduced the tax charge last year, factures windows for council since Telford is in an Enterprise housing, for £500,000.

The Telford plant should be profitable this year. A further 50,000 square feet has yet to be developed at the site for use as a warehouse and distribution

share were 12.2p (10.2p). The company is proposing a final divisaid that the home improvements filterease in pre-

1987 1986

Declan Kelly Group plc **DECLANKELLY GROUPPLC ANNOUNCES ITS RESULTS**

FOR THE YEAR ENDED 31 DECEMBER 1987

£000	£000
34,468	19,210
3,102	1,583
2,114	980
	34,468 3,102

The outstanding results achieved during 1987 are a continuation of the growth established over recent years. The volume of forward housing sales in hand, together with the economic outlook for the coming year, suggests that this level of growth will continue throughout 1988". From the statement by the Chairman, Declan Kelly 18 April 1988

The Decian Kelly Group plc is a diversified property development business with interests in residential and commercial property development, timber frame manufacturing and building.

For a copy of the 1987 Report and Accounts write to: Company Secretary, Declan Kelly Group pic, Old Portsmouth Road, Guildford, Surrey GU3 1LR.

Brazilian company plans \$450m copper project

the Brazilian Government-owned mining conglomerate, is planning to invest \$450m over the next five years to develop a major copper reserve in the Amazon.

Company executives say, however, that the project is unlikely to reduce substantially Brazil's reliance on copper imports. Vale do Rio Doce puts proven ore, but believes that copper ore deposits in the region could be as

high as 1bn tons.

Mr Rubens Bandeira, the Vale

of metallic copper a year, but pro-duces only 110,000 tonnes locally. Capital. Government authorised a 35 per duces only 110,000 tonnes locally. Government authorised a 35 per

COMPANHIA Vale do Rio Doce. Vale expects domestic demand to begin work at the mine depends rise to 350,000 tonnes a year by on the ontcome of talks with 1993, which would actually increase the need for imports has financed part of the \$3.50n

The mine is located in the company's Carajas mineral province in the Eastern Amazon. Carajas is rich in iron ore, gold silver and strategic metals. It is curently producing 28m tonnes of iron ore comparant in Northeasthan Record

Mr Rubens Bandeira, the Vale official supervising the copper project, said be hopes to begin mining 7m tons of ore a year by. 1993, which will yield 72,000 tonnes of metallic copper annually.

Brazil consumes 250,000 tonnes of metallic copper a year, but proof metallic copper a year, but pro-

above current levels.

The mine is located in the comCarajas, and is entitled to one-Vale has already invested at

company in Northeastern Brazil. Mr Bandeira said the copper The bank now owns Caraiba project would be partly financed from the sale of precious metals would eventually become the

Philippines orders mine closure because of pollution problem

induque operation indefinitely after failing to meet government pollntion standards.

The mine is 40 per cent owned by Placer Dome Corporation of Canada, the publicly quoted mining company. It was producing nearly 9,000 tonnes of copper con-centrate a month until Tuesday, a company official said.

Earlier this month, the Department of Natural Resources accused Marcopper of failing to reduce sufficiently toxic material and metal levels in its tailings the sludge left after extraction of

MARCOPPER MINING Corpora- plant's closure, citing among its

complained of reduced catches.

Marcopper claims to have met all Philippine and international standards for the dumping of tailings and has appealed to Presi-dent Corazon Aquino to reverse the decision.

The unusual elevation of the issue to Mrs Aquino brings Mar-copper back full circle to when Ferdinand Marcos was in power. In a note to Mrs Aquino, the department said Mr Marcos gave "special dispensation to dump untreated mining waste into the sea in 1982."

behalf of the deposed president and surrendered them to the new Government.

Marcopper has only made prof-Marcopper has only made profits once this decade, in 1983, although it had hoped to go into the black this year. It forecast export sales of \$40-45m in 1988, from the half of its concentrate not supplied to the Philippine Associated Smelting and Refining Corporation (Pasar).

The company supplies 10 per cent of Pasar's copper concentrate needs of around 500,000 tonnes a year.

tonnes a year.

Marcopper has been discussing pollution levels with the Department since 1986 but the talks have stalled, with the government. ment accusing Marcopper of intransigence, Meanwhile, the concentrate from copper ore –
Last year a former associate of intransigence. Meanwhile, the before dumping them into the sea.

The department ordered the Last year a former associate of intransigence. Meanwhile, the company is setting up a subtraction of the percent of Marcopper's share on to replace the present system.

Cornish tin's future 'tied to \$ rate'

remaining tin mines depends mainly on the dollar-pound exchange rate, according to an

Mr Mark Alcock, a mining analyst, suggested in the document that demand and supply for tin

strengthen against the US dollar tonnes and 60,000 tonnes, by more than 15 per cent.

"That would take them too consumption would settle back to

COCOA Cronne

Close

THE FUTURE of Cornwall's could not afford to see the pound are estimated now between 58,000 exchange rate, according to an analysis by Kleinwort Grieveson close to break-even," be 155,000 tonnes next year, while scrutties, the stockbrokers.

Mr Mark Alcock, a mining analyst, suggested in the document against them." consumption would settle pack to consumption would settle pack to make them too consumption would settle pack to break-even," be 155,000 tonnes next year, while supply would increase to 145,000 tonnes, a nor-

LONDON METAL EXCHANGE

lyst, suggested in the document that demand and supply for tin were slowly coming into balance. He said the dollar price of tin should therefore climb back to levels at which Cornish mines would be above break-even.

Mr Alcock added, however, that the management group which had bought Carron Cornish that the management group which had bought Carron Cornish that demand for tin this year, at 165,000 tonnes, would outstrip the value of the Malaysian dollar was tied to that of the US currency. A 10 per cent appreciation of the pound would reduce the expected sterling price of tin.

Yesterday, the Ruropean free that the management group been overbanging the market which had bought Carnon Consolidated, owner of the Wheal Jane and South Crofty mines, stock operation in 1985. Stocks

which usually produces about 7 yesterday, the European free market tin price was at a 21-month low of £3,620-£3,630 a Jane and South Crofty mines, stock operation in 1985. Stocks

which usually produces about 50,000 tonnes of ferro-nickel a year, had been cut by half but was expected to be fully restored by the end of April.

which usually produces about 50,000 tonnes of ferro-nickel a year, had been cut by half but was expected to be fully restored by the end of April.

In Jane and South Crofty mines, stock operation in 1985. Stocks

which usually produces about 50,000 tonnes of ferro-nickel a year, had been cut by half but was expected to be fully restored by the end of April.

Which usually produces about 50,000 tonnes of ferro-nickel a year, had been cut by half but was expected to be fully restored by the end of April.

In Jane and South Crofty mines, stock operation in 1985. Stocks

Which usually produces about has ceased commercial whaling and intends to work through the low of the Soviet decision to abide by the ban and referred to it as a "major announcement" in the servation, "Mr Verity said.

In Jane and South Crofty mines, stock operation in 1985. Stocks tonnes in January.

Major importers of Malaysian than the USSR had been cut by half but the Soviet decision to abide by the ban and referred to it as a "major announcement" in the servation, "Mr Verity said.

In January Major announcement in the USSR had been cut by half but the Soviet decision to abide by the ban and referred to it as a "major announcement" in the servation, "Mr Verity said.

In January Major announcement in the USSR had been cut by the sounce of the USSR had been cut by the sounce of the Soviet Union in grow of the USSR had been cut by the ban and referred to it as a "major announcement" in the Soviet decision to abide by the ban and referred to it as a "major

Aluminium demand likely to

By David Blackwell

stagnate'

ALUMINIUM consumption is likely to stagnate over the next year in spite of the reasonable economic background, according to the latest report from consultancy group Authors Rivé Associates. Anthony Bird Associa

The very short-term view is described as "pessimistic." Demand is starting to hesitate after recent high consumption figures as reaction sets in to to the described as reaction sets in to to the dramatic rise in metal prices seen over the last 15 months and the deterioration of aluminium's competitive position in many markets. says the report.

At the same time production will rise further in coming months in response to high prices. This year will see a rise in stocks, the report predicts.

Eventually, production will have to fall again, and a drop in prices from the current levels of more than 100 cents a lb will be needed to bring this that the second to bring this about, it says. "We expect that prices in 1989 (in today's money) will average 65 to 70 cents."

By late next year and in 1990, however, Bird expects prospects to start to improve. The group's forecast tables show that demand could once again be very strong in 1990, renewing pressure on the sup-

This reinforces the fact that investment in new capacity is urgently needed. However, if new investment is to be secured it is important that prices settle at a much higher level in real terms than the depressed levels of the last five years, tha report warns.
"When all the wild gyrations of the short term are over, we expect that this will indeed happen," Bird says.

Power cut hits Colombian nickel mine

OUTPUT OF ferro-nickel at Colombia's Cerro Matoso min-ing and refinery project has been cut by half because of problems in the pyro-metallur-gical process, Dutch metal traders said yesterday, reports Reuter from Amsterdam.

They said power at the elec-tric furnace at Montelibano,

Outlook confused for Opec talks

to emerge yesterday over whether the Organisation of Petroleum Exporting Countries will succeed in cutting world oil win succeed in criting world oil production when it meets with non-Opec producers on Tuesday next week, to be followed by a full Opec ministerial meeting two days later.

The Iranian Deputy Oil Minister, Mr Hossein Kazempour Ardibelli, said in Jarkarta that Chinawas curtalling its expects by 5

was curtailing its exports by 5 per cent in order to lend co-opera-tion to Opec's efforts to stabilise

world of prices.

This appeared to be the first firm indication that China would be willing to cut output, although

A KEY parliamentary report on future Norwegian oil field developments has been postponed, because of a continuing row over the country's oil pol icy, reports Reuter from Oslo. Mr Egil Helle, an Oil Minis-try official said the parliamentary industry committee had postponed its formal report,

but only in conjunction with simllar moves by other producers. Oil prices firmed yesterday with Brent crude for May deliver up 35 cents at \$17.125. June futures for West Texas Intermedi-

firm indication that China would ate were up 55 cents at \$18.225 on by which non-Opec producers the New York Mercantile would cut production by 400,000 it was unclear if any conditions were attached to the offer. China has co-operated with Opec in the past.

Mexico, which is to be represented at the talks by Mr Fernando Hiriart, the energy minister, has indicated that it would serve to cut its output celling of 15.06m barrels per day, observers, who believe that non-Opec producers would agree to excluding Iraq, dimmed, however, with statements by Mr curtail production only in Kartasamita, the Indonesian Opec. These sentiments were echology which non-Opec producers would cut production by 400,000 b/d.

This sort of agreement is regarded as unrealistic by some observers, who believe that non-Opec producers would agree to cut its output celling of 15.06m barrels per day.

Artibelli and by Mr Ginanjar exchange for a substantial cut by Mr John Herrington, the

originally due today, because of contradictory advice from oil experts on North Sea devel-

opments.
"There have been differing viewpoints from various experts and this means that the committee has said it needs more time," Mr Helle said. The report will now be

the quota need not be changed. Mr Ginanjar expressed optimism that Opec could cut 300,000 b/d from output by sticking to its stready-agreed quota levels, and that agreement could be reached by which was Opec producers

published at the beginning of May, but no date has been set.

Its main objective is to give a recommendation on the planned development of the Snorre oil and gas field, one of the largest known untapped sources on Norway's continen-tal shelf.

US Energy Secretary, who said in

Knala Lumpur yesterday that his discussions with non-Opec producers indicated that co-opera-tion with Opec was "doomed".

Colombia is one of the seven countries invited to attend the meeting next week, but has declined. Norway has said it would send an observer from Oslo. This indicates a slightly higher profile than Norway usu-ally adopts at Opec meetings, although the observer would not participate in the actual meet-ings.

Australia approves coal sales to Japan

THE AUSTRALIAN GOVERNMENT yesterday decided to approve con-troversial export sales to Japan of hard and soft coking coal, but said the go-shead was subject to employment assurances from

nining companies.
The announcement by Mr John Kerin, Minister for Primary Industries and Energy, came three weeks after he had deferred approval of hard coking coal con-tracts between a group of Australian mining companies and the Japanese steel producers.

Japanese steel producers.
It appears to reflect a recognition that renegotiation might achieve hittle while hurting Australia's commercial reputation.
Also, talks are still under way with Japanese power utilities on steaming coal contracts.
The hard coking coal contracts allowed for a price increase of

allowed for a price increase of just US\$2.90 above the previous year's US\$44 per tonne, signifi-cantly less than originally expec-

unsatisfactory because it categories had valuable coking appeared out of line with market characteristics which were not conditions and because currency appropriately recognised last papeases far better off and the Japanese far better off and the Survacional Survacional I am taking on the Japanese far better off and the Survacional I am taking on the Lapanese far better off and the Survacional I am taking on the Lapanese far better off and the Survacional I am taking on turur negotiations, he said the country needed more flexibility to deal with different contracts and different products. Although he ruled out a national market migathority, he said he was considering options.

The same was true of soft coklaractory in the far port approval and the country needed more flexibility to deal with different contracts and different products. Although he rul

Productivity was four or five times that of highly protected countries, yet its mines were closing. Protected tunnages were greatest in Europe, particularly West Germany and the UK, he

Soviets confirm end to whaling

US officially that it has ended commercial whaling, Mr William

nere.

The Soviet Union was criticised last june, together with Japan.

I last june, together with Japan.

whollwide ban on commercial whaling, which meant they were not bound by it.

Mr Verity said been angered by Japan's continued whaling. Tokyo is using a clause in the international convention that allows whaling for so-called research to continue on a combinational whaling, which meant they were not bound by it.

US MARKETS

WORLD COMMODITIES PRICES

(Prices supplied by Amelgamated Metal Trading)

areas of fisheries, and hoped other nations would follow the soviet example.

The weekly Moscow News had said last May in an article enti-tied "No More Whaling in the 20th Century," that the fleet had returned after capturing 3,028 whales in a six-month hunt.

"The whaling industry has been_would up and the former whalers will go into another type of fishing," the newspaper said.

CRUDE OIL (Light) 42,000 US galls \$/harrel

Close Previous (figh/Low

Malaysian rubber output falls.

MALAYSIAN RUBBER output fell 24.7 per cent to 123,146 tonnes in February from 163,468 tonnes in January and compared with 143,841 tonnes in February 1987, the Statistics Department said, reports Reuter from Kuala Lon-

Stocks at the end of the month rose; however, to 240,625 tonnes from 235,054 tonnes at the end of January, following a fall in exports to 121,353 tonnes from 151,633 tonnes in January.

SOYABEANS 5,000 bu min; sentr/80th bushe

Chicago

COPPER PRICES tell further on the LME

LONDON MARKETS

yesterday, with cash grade A metal shedding £32.50 to £1,125 a tonne - the lowest level since September 18 las year. Some traders said the market probably due for a correction, although the undertone remained soft. In contrast three-month nickel broached the \$7 a to level, closing up \$800 at \$15,625 a tonne. following confirmation of a force majeure declaration on terro-nickel by

Falconbridge; covering against inter-office sales to US operators; and firmer sterling against the dollar. Meanwhile the second position Biffex dry freight futures contract slunged 74 points to 1,218 in near record voluma. Traders expected further weakness in the physical shipping market to spark further selling today, testing the 1,200 level. Also on the Baltic Futures

SPOT MARKETS		
Crude oil (per barrel POS)		+ or -
Dubel	\$15,45-5.550	+030
Brent Blend	\$17.10-7 15w	
W.T.I.(1 pm est)	\$18.20-8.25w	
OO products (NWE prompt d	altvery per lo	+ or
Premium Gasoline	\$198-198	+1
Gas Oil (Soviet)	\$156-158	+4
Heavy Fuel Oil	\$63-65	+1
Naphtha Petroleum Argus Eshmules	¥158-100	+2
Other		+ or -
Gold (per troy oz)4	\$455.25	-1 <i>.2</i> 5
Silver (per troy ozide	647c	+1
Platinum (per troy oz)	\$519.50	-11.00
Pelledium (per troy oz)	\$121 50	-2.75
Aluminium (free market)	\$2300	-25
Cooper (US Producer)	102 F-03 5C	-225
Lead (US Producer)	35.5c	_
Nickel (free market)	010c	-20
Tin (European free market)		-5
Tin (Kusta Lumpur market)	17.30r	
Tin (New York)	319 5c	-0.5
Zinc (Euro. Prod. Price)	\$975	-25
Zinc (US Prima Western)	511ge	
Cettle (live weight)†	110.17p	-1.28*
Sheep (dead weight)1	190.86p	-12.60*
Prgs (live weight)†	67 79p	-1.63°
London daily sugar (raw)	\$228.88	+22
London daily sugar (white)	\$240.5e	-0.8
Tate and Lyle export price	E228.0	+ 2.8
Barley (English feed)	€107.0	-0.5
Marze (US No 3 yellow)	£137.5	
Wheat (US Dark Northern)	191 Ow	-1.0
Aubber (spot)♥	64 750	-0.75
Rupber (May) Y	68.75p	+ 8.25
Rubber (June) 🛡	68.75p	+025
Rubber (KL RSS No 1 Mar)	308 Smw	+ 1.5
Coconut oil (Philippines)§	\$540x	
Petm Oil (Malaysian)5	\$405t	
Coors (Philippines)	\$385	

\$389 [162 5 +0.10 C a tonno unless otherwise stated. p-pend

Turnover 2764 (5285) lots of 18 tonoas ICCO indicator prices (5DFs per tones). Daily price for April 20 : 1214.96 (1201.16) .18 day average for April 21 : 1183.90 (1179.72) Turnover: 3775 (1771) lots of 5 tonnes ICO molestor prices (US cents per pound) for April 20 Comp. delty 1979 117.00 (117.17); 15 day aver-age 118.77 (118 62). Close Previous High/Low 196 00 192,80 196,40 193,00 196,20 193,00 195,80 195,80 194 00 194,00 198,00 Close 234.80 233.00 233.60 236.60 238.00 237.00 237.00 234.00 237.00 233.00 GAS OIL S/tonne High/Low Previous 150,50 149,00 147,50 146,00 145,75 145,00 148,75 146,25 147,00 180.00 147.50 148.75 146.50 147.00 147.50 144.50 143.00 143.75 **GRAINS Extends** 102.20 101.95 105.00 104.50 107.55 101.50 103.50 103.45 108.00 108 00 110.05 104.60 181.55 103.45 108.00 198.00 110,05 honeydaw metons at C1.10-1.60. Prince catifilowars are abundant, following recent milder wastner, 30-80p (45-70p), while polations whites 11-14p, and reds 12-14p, remain plentiful. The Spania bean assaum has now started, with bobby beans 0.00-1.60, broad beans 80-80p and flat beans 80-80p. Also new in this week Majorosin new crop potatoes 20-30p and homogrown Cape broccoll 50-70p. Homogrown countries are down to 30-80p. (40-80p) as a result of better weather, while top quality torrestoes are new 80p-0.20 (80-95). Round lettuce is down to 20-30p (22-30p) white cobargs are now 60p-0.100 (70p-0.110). Barley Previous High/Low Close 702.00 98.30 100.95 103.00 704.65 108.85 102,40 96.10 100,75 102,80 104,45 106,65 102.30 102.00 96.30 100.95 103.00

Close Previous n, 20.7% purity (5 per tonne 4,411 lots 2110-30 Ring turnover 39,100 tonne mulia.5% perky (C per tonse 1208-13 1102-3 1210-8 1125-6 1211/1200 1110/1080 48,567 lots Ring turnover 59,050 tonne Copper, Grade A (£ per tonne) Cash 1124.5-5.5 3 months 1009-70 1157-8 00,037 lots 1002-3 13 lote Stiver (US cents/fine out Cash 844-6 3 months 855-7 676 lots Ring turnover 0,500 tonne Leed (£ per tonne) Gash 330-5 8 months 320-1 335-7 11,001 lots 322-3 Ring turnover 2.742 toppe 15250-300 7.004 lots 15600-60 Ring turnover 12,625 tonne Zinc (£ per tonn 671 504/559 17,357 lots Rold (fine oz) \$ price 80.00 83.50 93.50 123.40 134.00 80.00 76.60 85.00 43.60 239-4-240-4 240¹2-241 240.530 239.558 455-458¹2 453¹2-464 454.00 454.25 463-455¹2 453¹2-454 124.00 123,10 SOYASEAN MEAL Chonne 489-474 469-474 469-474 469-474 463-1₃-458-1₃ 257-246 118-126 468-471 47-52 107-100 107-100¹2 530-636-1₃ 247-250 247-250 247-250 247-250 239-241 124 14-129 14 62 14-88 14 245 14-27 14 245 14-37 14 265 14-57 14 281-284 14 Close Previous 125.40 127.00 122.60 127.00 125.00 127.50 127.00 125.50 125.00 126.00 122.60 126.00 125.00 127.00 Turnover: 1886 (161) lots of 100 tonnes. 1388.5 1378.0 1290.0 1215.0 1340.0 1305.0 1350.0 1315.0 1418.5 1378.0 1218.0 1305.0 1317.0 1360.0 1242.5 1315.0 1441.5 1292.0 1365.0 1375.0 1418.8 1260.0 US cts equiv 1475.0 Turnover: 1160 (915) Now seepon apples are becoming more plentiful this week, reports FFVE. New arrive in the shope this week include Chilean riber grapes, 70-90p a 10, and chilean green honeydeter malores as 64 eA 4 as KIT AND VIOLTABLES LOSSICAL SECTION OF TRANSPORT OPTIONS Cells Puls micium (99.7%) s 1b, and chilean green lons at £1.10-1.60. Prince Strike price \$ tonne

1950 2100 2250

cebergs are now 60p-£1.00 (70p-£1.10).

Akuminkum (90.5%)

Copper (Grade A)

THE PRECIOUS METALS closed mixed following an extremely quiet session with little significant activity, reports Drexel Burnham Lambert. Copper was under presure for most of the day, but, holding support levels, railled back slightly with short-covering. Energy futures opened higher as technical buying emerged prompting short-covering. Coffee was higher on short-covering following fewer-than-expected deliveries against the spot May contract. Cocoa eased under the influence of producer selling. Sugar, too, fell on producer price-fix selling, with trade scale-down buying noted. The meets were very quiet, cattle finishing roughly unchanged despite firmer cash values, while belies and hogs were lov in the nears, cash prices were reported higher in the U.S. west and lower in the east. The grains were easier across the board as forecasts of rains prompted professional long-liquidation, soyabeans and meal also came under preweaker cash prices in Brazil. New York 456.0 456.7 461.3 466.0 471.3 476.0 8 PLATRICIA 50 troy oz; \$/troy oz. 529.5 532.6 539.1 545.6 552.1 559.1 824.0 528.0 583.5 540.0 0 522.0 522.0 528.0 536.5 8 645.0 946.0 950.5 654.9 663.3 676.7 690.8 690.1 699.8 710.1 643.9 646.0 649.5 653.9 662.3 675.7 679.8 609.1 696.8 0 649.0 657.9 656.5 679.5 8 \$2.70 92.20 90.30 86.40 86.10 182.40 181.90 180.90 779.90 \$2.50 92.00 90.40 89.00 86.60 63.00 82.50 81.00 79.80 79.20 82.40 88.80 0 06.18 84.20 \$1.30 80.00

18.28 18.20 18.12 18.06 18.01 17.98 17.80 17.80 666/6 676/5 680/2 652/2 691/6 HEATING OE, 42,000 US galls, cents/US galls 1543 1584 1611 1648 1682 1690 1727 1750 1542 1582 1611 1648 1686 1711 1737 1761 1503 1503 1501 1606 1606 1600 1716 1740 SOYABEAN MEAL 100 tons; S/ton May Jul Aug Sep Oct Dec Jan Mar May COFFEE "C" 37,500lbs; certs/lbs 154.36 136.18 138.00 138.95 140.20 0 May Jul Sep Dec Mar May Jul Sep MAIZE 5,000 bu min; cents/56tb bushel 202/2 210/2 215/6 224/0 231/4 236/2 236/4 204/2 212/0 217/4 225/6 233/4 238/0 240/4 SUBAR WORLD "11" 112,000 lbs; cents/lbs Close Previous High/Low 8.50 4.61 8.59 0 8.61 8.70 814/6 824/6 381/4 341/4 347/0 315/5 324/4 332/0 342/4 348/0 315/6 324/4 331/4 COTTON 50,000; cents/ibs 63,64 69,68 54,65 54,18 55,02 64,47 60,80 55,40 54,83 55,67 64.05 49.90 54.45 \$8.86 54.70 65.00 61.30 55.60 54.93 55.40 LIVE CATTLE 40,000 lbs; conts/lbs Previous High/Low 70.82 67.42 86.47 67.82 67.20 68.45 Jun Aug Oct Dec Feb Apr 70.92 67.32 68.32 67.55 66.60 68.27 High/Low 171,20 188,40 185,30 180,25 156,65 156,50 170.85 100.50 168.00 165.20 165.30 163.50 160.50 160.50 156.30 155.75 8 0 0 LIVE HOGS 30,000 lb: certs/lbs. 48.85 49.60 47.87 43.40 44.86 44.80 41,96 43.50 Apr 20 Apr 19 month ago yr ago 1725.8 1731.4 1732.0 1560.5 \$3.12 \$3.47 \$2.32 61.35 61.20 53,40 53,47 52,27 61,35 01,15 \$3.70 \$3.85 \$2.66 \$1.55 \$1.20 DOW JONES (Beny: December 31 1974 ~ 100) Spot 128.65 129.13 129.74 Futures 132.72 132.98 132.72

de Julian Jab

Financial Times Friday April 22 1988

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling approaches DM3.16

DM3.1475 on Wednesday. After a weak start sterling recovered to close % cent higher against the dollar at \$1.8985. It also climbed to Y235.75 from Y234.75, to SFr2.61 from SFr2.6050; and to FFr10.7275 from FFr10.6975.

The Bank of England's exchange rate index for the pound opened 0.1 lower at 78.5, but closed 0.2 higher at 78.8. Steriling's rise reflected a belief in the market that the British agn.

The D-Mark gave a little ground to the dollar in Frankfurt to sanction a further cut in bank base rates.

The Prime Minister and other officials, including the Chancel-

officials, including the Chancel-lor, have recent placed paramount importance on the fight against inflation. It is therefore against inflation. It is therefore argued that from this point of view the UK must contain the inflationary implications of the sharp rise in bank lending, and cannot afford lower base rates.

The dollar closed virtually unchanged in Europe for the second day running. Economic factors suggest to dealers there is no reason to buy the dollar at pres-

ipan

133 V. 22 Fig.

Apr.23	W YORK	Prestoni
Spot	1.8980-1.8990 0.25-0.14pm 0.40-0.36pm 1.50-1.40pm	Close 1.8905-1.8915 0.15-0.13pm 0.33-0.30pm 1.29-1.21pm
orward pression	ns and discounts app	ty to the US dellar
STERLI	IE INDEX	

CURREN	CURRENCY RATES				
Apr.21.	Bank cale %	Special* Drawing Rights	European Correcte Unit.		
Sterling U.S. Boltar Canadian S Austrian Sch. Belgian Franc Dentsche Mark Lirch Kalther French Franc Litalian Lira Japanese Vet Marway Krone Spanish Pestin	8 07 07 07 07 07 07 07 07 07 07 07 07 07	0.732667 1.38838 1.78529 16.2161 48.2792 8.87351 2.30626 2.58785 7.83921 17715.94 172.153 8.55246	0.657/62 1.246/6 1.533/62 1.533/62 43.4630 7.97/93 2.077/07 2.325/5 7.05/5 1544.12 154.073 7.66/821		

Apr.23	Bank of England Index	Diorgani en Conscaty Charges %
ter Hog S Boltar sandian Dollar metrian Schilling ciptan France mish Krone mish Kron	78.8 92.2 81.1 139.9 100.5 92.7 148.9 176.4 137.9 71.3 46.4 246.0	-14.5 -14.8 -5.8 -5.1 -5.1 -5.1 -5.1 -5.2 -5.2 -5.2 -5.2 -5.2 -5.2 -5.2 -5.2

Apr.Z1	2	\$
Argentina	10.9570-11.0200	5.7800 - 5.8100
Astrois	2.5228 - 2.5250 237.00 - 238.35	1.3300 - 1.3340 125.00 - 125.70
Brazil	7.5320 - 7.5465	1 1905 - 3 9825
Creeke	250.45 - 254.00	132.75-136.00
Hose Kons	14.8075 - 14.8250	7.8115 - 7.8135
1720 annum	125.80	65.75°
Korea(Stib)	1393,40 - 1406,00	739.90-745.90
Kuralt	0.51830 - 0.51880	0.27330 - 0.27540
Largemboory .	66.00-66:30	34.75 - 34.85 2.5680 - 2.5710
Maleysia	4.8675 · 4.8795 4308.90 · 4330.15	7273.00 - 2283.00
M. Zeoland	2.5(35-2.6(65	1 5000 - 1 5015
Sandi Ar.	71115-71175	3,7500 - 3,7510
Skoppore	3,7965 - 3,8005	2.0015-2.0035
5. At (Cm)	4.0570 - 4.0735	21425-21445
5 M (Fe)	5,4565-5,5610	2,8775 2,9325
U.A.E.	53.95 - 54.20 6.9645 - 6.9705	28.60 - 28.70 3.6725 - 3.6735
8-16	0.10-0-0,1700	300-300

Rates volatile

INTEREST RATES were rather 7% p.c. Another £18m hills were volatile on the Londoo money purchased, for resale to the marmarket, on publication of a higher than expected rise in UK

In the afternoon the authorities bank lending in March.
But at the end of the day there was little change, although the banking figures appeared to rule out any early cut in UK base lending rates.

Rates opened firmer, with three-month interbank at 84.84 p.c., compared with 8%-8 p.c.

MONEY MARKETS

evernight. On publication of the lending data three-month money briefly touched 84-84 p.c., before closing at 84 84 p.c.

SK clearing benk here leading rate trem April 11

Day-to-day credit remained in uncomfortably short supply. The Bank of England initially forecast a money market shortage of £1,350m, but revised this to £1,200m at noon. Total help of £1,158m was provided.

An early round of help was

EMS EUROPEAN CURRENCY UNIT RATES

	Em central mites	Correscy Sensents Spaints, Eco Apr. 21	% change from control case .	% charge adjusted for distribute	Disarges Sanit %
tel Franc	42.4592 7.85212 2.65853 6.90403 2.31943 6.768411 1463.58	43.4630 7.97433 2.07707 7.05470 2.32495 0.777943 1544.12	+2.37 +1.62 +0.90 +2.18 +0.45 +1.24 +1.06	+0.% +0.21 +0.51 +0.77 +0.55 +0.17 +2.70	±1.534 ±1.540 ±1.040 ±1.540 ±1.540 ±1.640

			- (
Change - In the State of State	resident charge	4	
Changes are for Ers, therefore	Property Commercial	AL-COOP 9	

21 . ·	- Day's spread	Close	One would	1	There	15
	1.8945-1.8995 2.3200-2.3450	1.8980-1.8990 2.3440-2.3450	0.17-0.14cm 0.01-0.19cm	0.98	0.40-0.35em	0.75 -0.86 -1.27 -
4	3531 354	3534 - 3544	14-loss	477	0.45-0.58ek	1.0
	65,70-66.25	66.00-66.10	15-6cm	3.81	34-30mm	200
	1200-12141	12121-12134	4-24 grants	话	21-41-44	-12
=	11795-11840 3145-316	1.1820 - 1.1830 3.154 - 3.16	0.12-0.20pils	16	33-3 -64s	-12
•	25.05-258.05	257.75 - 258.75	AC-104-de	醬	200-315-6	3.5
_	207.85-209.45	209.10 - 209.40	36-50cds	225	100-1300s	2.20
_	23384 - 23493	23487 - 23497	1-6Hredes	1.77	12-1765	-26
	11 ATE - 11 684	11647-1166	44-Garasta	540 014 169	164-174-ds	-23
_	10.66 - 10.73 2	1001 1001	1 4-20reds	142	die Siests	-42
	2544 - 234 4	2351 - 2361	1-1-7440	12	24-24	42
_	22.03-22.21	22_11 - 22.21	Ble-7grown	12	211-154em	36
7	2594-2615	24012 - 26115	13-13-cm	1 575	31-31-00	5.73

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Apr.23	- Speed	Clean	the month	24	Thrus	2
UKy	1.8845-1.8995	1.8980 - 1.8990	017-01App	0.76	0.40-0.35	0.79
Ireland?	1.5900 - 1.6050	1.6040 - 1.6050	G.12-8-22008	-1.28	0,25-0,466	480
Cacada	1275-1236	1.2330-1.2340		नस	0.46-0.4941	-1.54
Hetherizonis		1.8650-1.8660	E.46-0.46qua	3.02	1.52-1.49	322
Belgium	34.75-34.95	34.75-34.85	5-24	1.20	14-50	1.32
Description	4384 - 6414	4384 -4394	0.95-1.55e tels	-234	2953.550	-500
W. Cornery	14615-16695	1.6630 - 1.6640	0.51-0.51phm	3.75	1.63 L. Shan	185
Portugui	136-136	136-1364	. 45-Mark	-483	148-19044	-40
Spale	110,00-110,40	210.05-110.15	22-32006	-294	75-85ds	-2.90
italy	12354 - 12014	1237 - 1237 -	2.40-3.40Erests	-587	9:00-11:80ds	-3.49
Morwey		4.134 - 4.134	3.20-3.55mm/k	4.50	10,00-10,40ds	443
France		3441 - 365	0.40-0.60m/k	100	135 1 554	-1,02
Sweden	584-5864	5.844 - 5.85	1.20-1.40wests	-246	3.55-3.8566	-5.20
Japan ,	123.95 - 124.40	124 10 - 124 20	0.36-0.33	450	702-0-380	. 124
Ambril	11.68 1.11.73	11.684 - 11.69	3.40-3.20proper	1.74	9.75-8.75mm	. 116
ا نے اسمالی اس	13725-13795	13745-13755	0.57-0.52	4,75	1.75-1.70=	5.01·
UK and treke	nd are queted in US (ng). Belging rate is	terrory, Foregraphy	rentant ant discour s. Financial franç 34	15 35.05	the US dollar and	mt to th

EURO-CURRENCY INTEREST RATES.

沙 岛	87-84	27-27	91. 91.	F1. 91.	
A CANAL STATE OF THE PARTY OF T	Market State	11.7 24.37 24.37 24.37 24.37 24.37 24.37 24.37 24.37 24.37 24.37	700000000000000000000000000000000000000	THE PROPERTY.	
	431 29-24 35-31 75-75 111-8 4-51 61-	2.34 2.24 2.34 2.24 2.34 2.34 70.74 1.45 6.53 4.69 6.53 4.69 6.53 6.74 6.74			2-34 2-34 2-34 2-34 2-34 2-34 2-34 2-34

Apr. 21	. £	3	DM	Yes .	F Fe.	S Fr.	H FL	Line	CS	■ Pr.
. t	0.527	1297	1,158 1,443	255 1242	10.73 5.650	2438 1374	150	Z49 1237	235 125	54.00 34.70
PER	0.317 4.20	0.401 8.053	1339	74,67 1000	33W 650	0.826 11.07	1 177 15.03	743.9	0.765	28.90 280 J
F Fr.	0.932 0.363	1.776 0.728	2943 1,210	219.8 90.34	10. 4111	2.632 1	1302 1307	2139 900,0	2.135 8.210	41.54 25.5
N FI.	0.282	0.536	0.891	64.55 180.4	3.029 4.568	9737	1500	643,6 1000.	0.642	34
C S	0.426	0.830 2.675	130	120.6 357.0	45%	淵	级	1002 35%	3.55	28.17 104.

FT LONDON INTERBANK FIXING

(11.00 p.m. Apr.21)	3 months US deltars			onthe VS Dell	10.5	
72	efter 7 <u>3</u>	1	74	1	. offer	74
The Fixing rates are the arthurs by the startest to five represent Taign, Desticke Bank, Bonne MONEY RATES	the manus regarded to the active States at 11.00 a.m. such war Mational de Paris and More	d one-observable tog day. The to on Generally To	of the brings are in	M and offered Exclosed West	rates for	210 Sask
NEW YORK (Lanchtime)	Gue mouth	easury Bill	28 T	Bonds are year ter year		=

and £48m bank bills in band 3 at A further £161m bills were

bought, for resale to the market, on May 16 at 7% p.c.

The Bank of England also pro-vided late assistance of £260m.

Bills maturing in official hands, repayment of late assis-tance, and a take-up of Treasury hills drained £581m, with Exche-quer transactions absorbing £761m, and a rise in the note cir-culation £80m.

In Frankfurt the Bundesbank cast a money market shortage of £1,350m, but revised this to £1,200m at noon. Total help of £1,158m was provided.

An early round of help was offered, and at that time the authorities bought £106m bills, for resale to the market on May 16, at 78 p.c.

Before lunch the Bank of England gave further assistance of £86m, including £68m bills bought outright, by way of £31m bank bills in band 1 at 7% p.c., and the Lombard nate at 4.5 p.c. as credit conditions remained comfortable in Frankfurt. The central bank drained DM5.1bm in surplus liquidity on Wednesday, when accepting bids of only DM5.5bn at this week's securities repurchase agreement tender, compared with an expiring agreement of DM14.6bn. left credit policies unchanged at-

gave help of £706m, including purchases of £545m bills outright, through £5m local authority bills in band 1 at 7% p.c., £390m bank bills in band 1 at 7% p.c., £102m bank bills in band 2 at 7% p.c., 77.71 221, 441, 501, 643, LONDON MONEY RATES

Company Deposits	82	14	82	85	85 ₄	35
Florance House Deposits	-	•	23	의 왕이	4	24
Treasony Bibls (Big)	•		42	12	93.	:
Flag Trade Bills (Bus)		: :	216	832	85	
Dollar CDs	•		7,00-6.95	7.25-7.20	735730	7.75-7.70
SOR Light Dep Offer	·-		53	輸	24	632
SDR Linked Dep Bid	- 1	•	23	25 -	3	7.
SCI Linked Dep Bid			11	63	67	65
Tracery Bills Deli); each	excest 72 p	r cost: these re	174 per 0	est, Back Bills	100° mm - 1000	5 76 per cont
times wonths 75 per cart; To		Antonio Series	باجودي أو يور	TAKEN M. EU	20 total 1847	Sertley Exper
Finance, Make up day March Schemes II & III: 10.17 p.c.	71,175		THE APPLICATION	TANK IN MAY CO	Column N- 2	61. 317. 22 by
Authority and Finance House	Killer days		and the	Planete House	Base Rate 96	from April 1
1968: Back Deposit, Rates fo	T 2015 2 21	es des notice 3	-35 per cost.	Certificates of T	ax Deposit Se	ries 61; Deposi
2160 616 val bell med						

Firm pound helps gilts rally

menths ago.

The yen fell back against the dollar in Tokyo. The dollar rose to Y124.30 from Y123.90, in quiet trading lacking new factors.

Dealers said the US currency is the lacking in a narrow range Dealers said the US currency is likely to stay in a narrow range for some time, held at a peak of Y124.50 by selling, for speculative reasons and to hedge currency risks. On the other hand fear of central bank intervention should stop the dollar falling below Y123.50.

average 127.08. Exchange rate index 246.0 against 220.8 six

Strike	Calls-set	thements	Pres-se	ttler
175	1465	1465	- 0	1
285	42	546 238	199	1
196	153	78	570 1847	.5
205			1947	11

127 234 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	546 238 78 13 14, Calls	199 199 199 199 199 199 199 199 199 199	297 637 1077	925 925 925 930 930 Printe	O SAN WAR	51 32 17 9 4 use total open int.	48 25 23 14 9 Calls 84 P Calls 3389	7 13 49 60 15 4 Pats 29	35 40 16 35 35	
E G	e ? 13845		_					SE L/S (_
9.7	284 25 91	S 19 57	100	0.25 0.50	热	\$9 125 230	Series Price 145 1.70	15.60	23.65 25.70	ile

LUNIA	M OLIFFI			
26-YEAR 450,000	17% MFT 50 57min of 180	AL SELT		
Jan Sep	122-03 17-23	122-05	121-22	122-08 97-27
Estimates Previous	Volume 2356 Say's open lat.	504350 251192	57843	
7-10 YEA	2 9% NOTES	AL CILY		$\overline{}$
_	Clear	94-03	15-00 16-00	Priv.

	I HOLD DAME			
Sep Dec	Cese 160.00 181.50	280.60	177.40	177.90 179.40
Estimated Project di	Volume 1241 W's open lot.	2711853		
, richard C	A 2 chest cur'	7/14/4		
THEE W	TITL EXPLOS	LLIK		
- =====	E 200 X	-		
J.=	92.44	92.6	92.44	92.41
Sep	92.13	92.13	42.12	92.10
Sep Dec	91.88	91.70	91.88	91.86 91.65
. Est. Vol. 0	TO THE REAL PROPERTY.	32	CHADENEC	

CURRENCY FUTURES LEFTE-STEDLING CZS. DOG S per A

Apr.21	Oversight	7 days metics	(See March	Three Months	Str	Ace.
of 816	752	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	84	83	3,	85
Authority Deps		al, al, al,		25	10000	85 85 85 85 85
ert Mics Depts My Deptsits My House Deptsits	80 82		81. 81. 81. 81. 81.		83. 84.	25
ry Bills (Boy) Bills (Boy)			栗	74	21. All	
CDs			7,00 4.15	7.25-7.16	7.357.30	7.75-7.70
wied Dep Bid wied Dep Offer wied Dep Bid			774	63	2	3333
many Bills Dell); on routs 7% per cent; a, Make up day Albert	reserve Bills	cot; the s	mattes 7% per co	rat, Bank Brits 7,4470 p.c. EC 1988 to May 2	Soil); see-part Si) Floral Rain 1 1980 Colon	Serling Expert
e, ti d. 16: 10.17 p.e ty and Finance House Back Deposit. Rates f 200 and over held on a regards 8% per cost, man for each 5 00 ver	Bergan da Siena das	e for pariod 18 miles, others 9	a 1 1966 to N	Page Hose	Scheme IV: 8 Sace Rate 9 is	tres April 1
100 and over held one e recettle 8½ per cost man for each 5.00 pe	of the social	7/2 per cent; o	Medical Con-	84 per 004; 000 74 per 08	three-six mani-	is the per cent;

FINANCIAL FUTURES

STERLING renewed its upward surge against the Darket, and major currencies in general, on publication of the UK bank lending figures for March. These should be no major factors to sell sterling by the Bank of England soon after released of the move the dollar for the next fixed stavance.

The pound flirted with the DM3.16 level, before closing at DM3.1675, compared to the surge until the end of the month. The dollar closed unchanged at DM3.1475, compared to the surge against the dollar was fixed at the calcular suggests and was showed a substantial rise from the dollar.

At the same size the market appears unwilling to challenge showed a substantial rise from the central banks with aggressive.

At the same size the market appears unwilling to challenge the central banks with aggressive the central banks with aggressive the most city forecasts.

Dealers reported intervention to sell sterling by the Bank of England soon after released of the week or so, and that the currency figures, but this fadled to stem the advance.

The pound flirted with the DM3.16 level, before closing at DM3.1675, compared with the DM3.1475 on Wednesday. After a weak start sterling recovered to class of the safety to remain in a narrow was said to the safety form a firming of interest rates in Paris, after the Bank of France withdrew liquid. The dollar closed unchanged against the DM3.1475 on Wednesday. After a weak reaches the safety to remain in a narrow weak start sterling recovered to close sightly to YLALE from DM3.1475 on Wednesday. After a weak reaches the contract cope with the higher than expected UK bank lending largely ignored, as traders continued nervousness figures announced for March.

A look at the calendar suggests the market and was find the water on Life, but towards to that the black to the dollar market in the contract cope with the higher than expected UK bank lending largely ignored, as traders continued and the contract cope with the higher than expected UK bank lending largely ignored. as traders continued the con

5 56 EN 50 EN 50 EN

wish to receive our latest market report, please contact Martin Mitchell on 01-236 4424, or return the coupon below. Bowers Cadle Co Ltd FUTURES AND OPTIONS BROKERS 74-75 Waifing Street, London ECAM 987 Tel: 01-236 4424 For: 01-489 0153 Teles: 925365 BOWCAD. Please send me your brochure and a copy of your latest market report.

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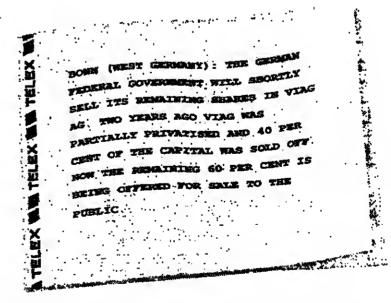
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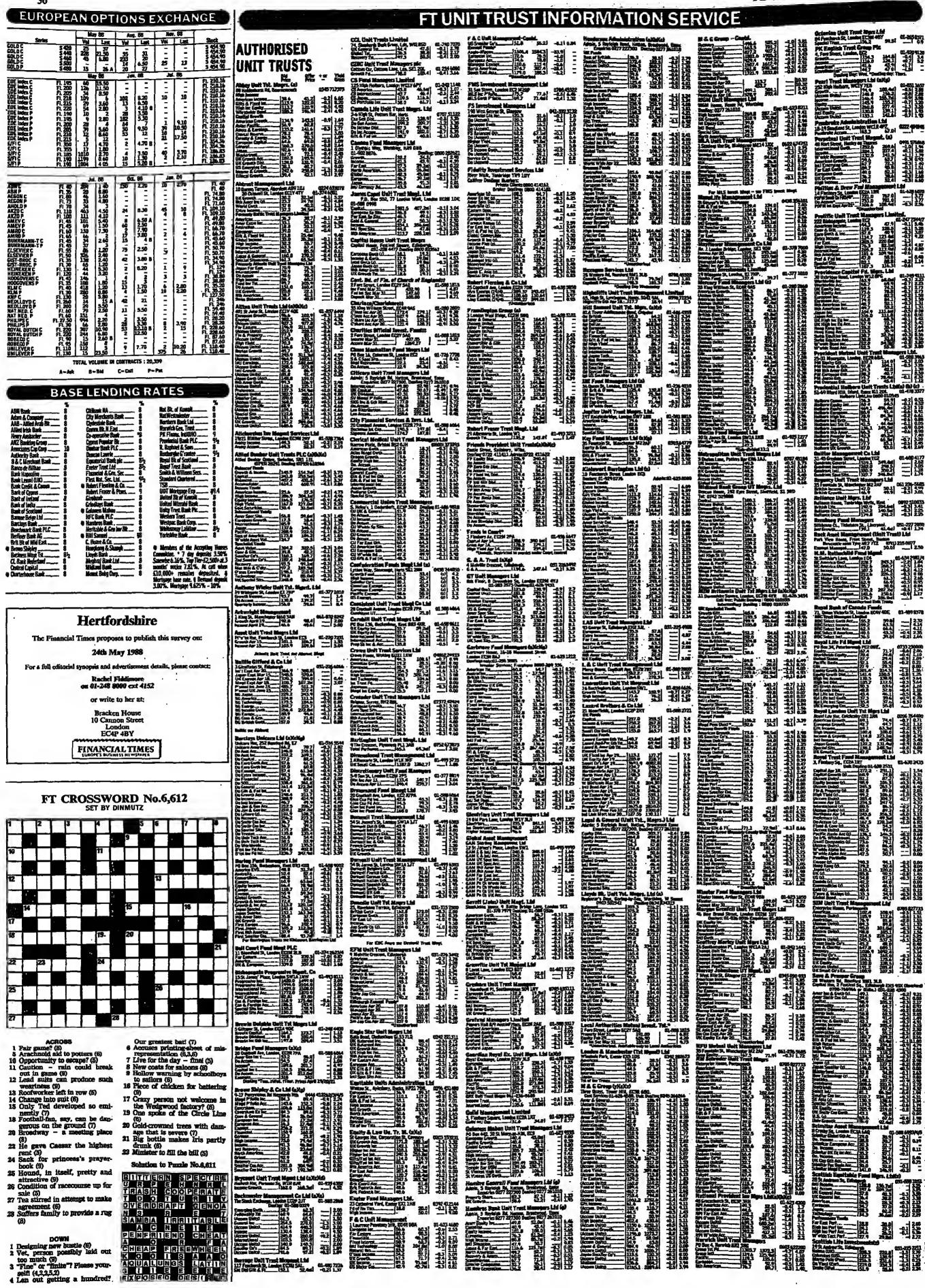
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only stability but a positive earnings situation. A trend that can also be

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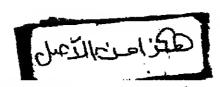
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For further details please do not hesitate to contact us. VIAG AG, Georg-von-Boeselager-Strasse 25, D-5300 Bonn 1, West



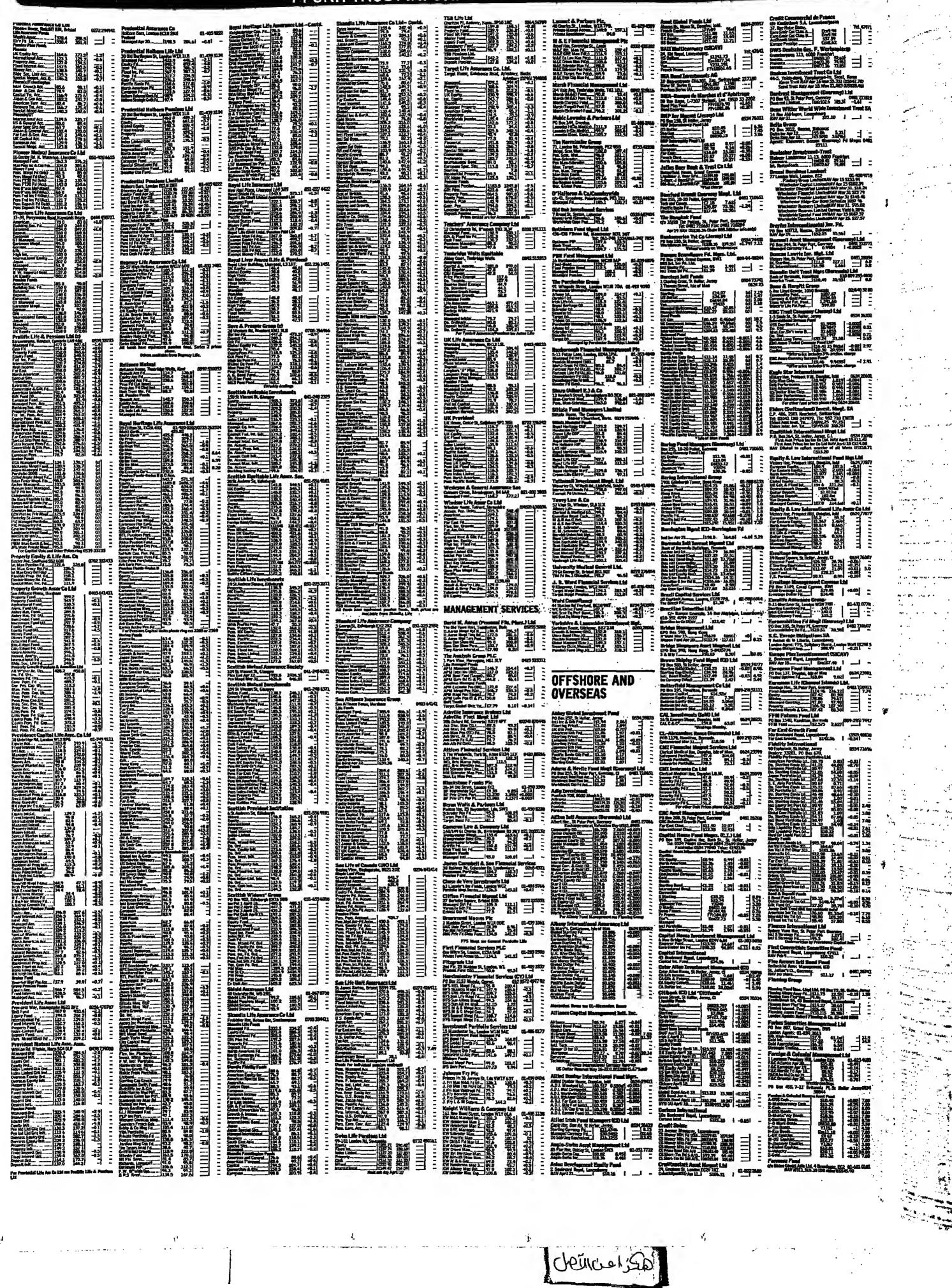
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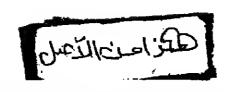
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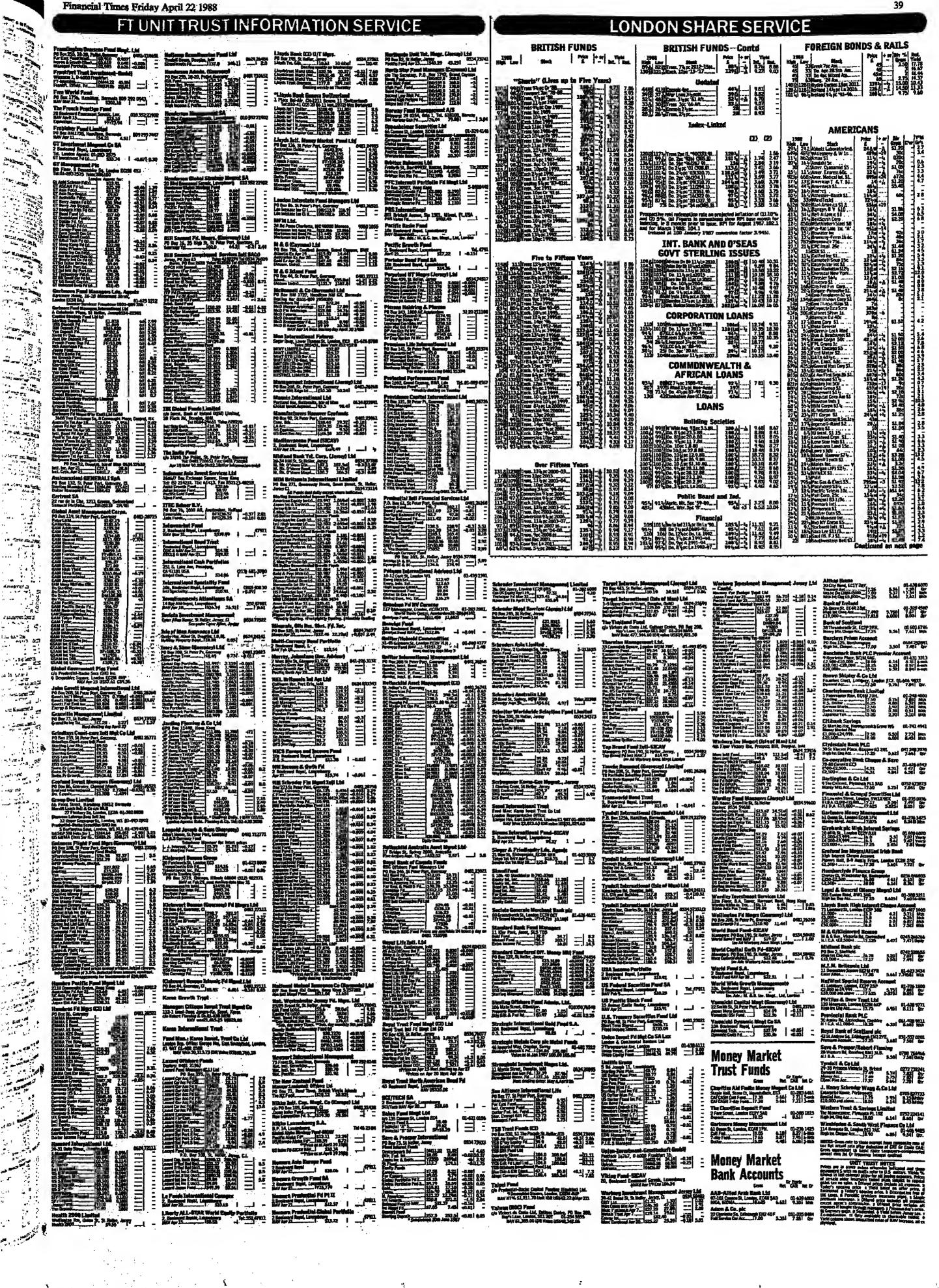
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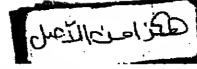


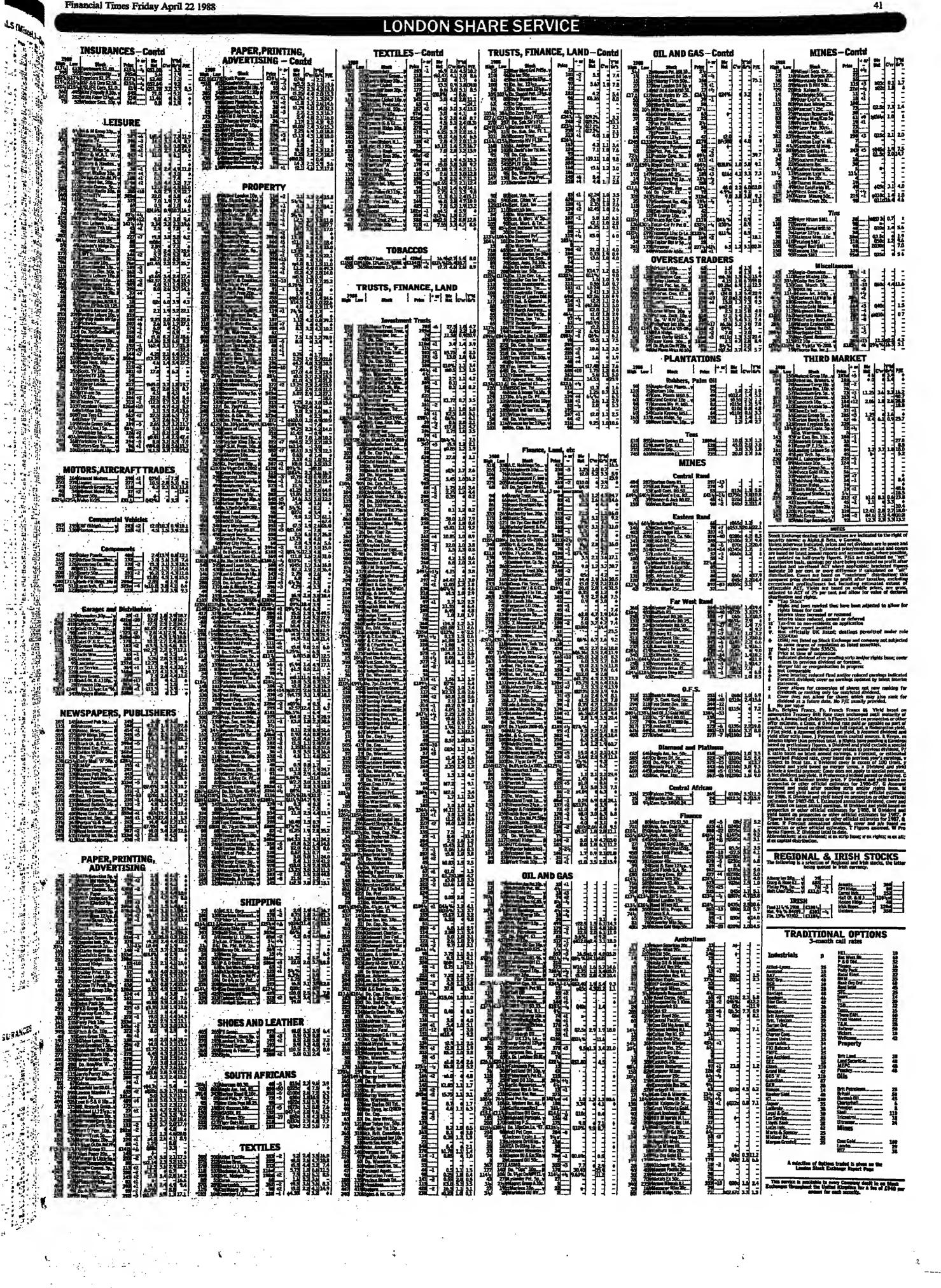


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THE APPLIAN





Lest Account Dealings Day Mar 6 Mar 16 Apl 8 Apl 18 poured scorn on talk of economic recession. Shares in RTZ moved

THE UK securities markets ended in good shape yesterday despite general unhappiness in the City of London with the rities house. announcement of significant increasea last month in UK the day little changed after the money supply and bank lending. Both raised concerns in the markets of renewed inflationary pressures in the UK, and appeared to reduce the likelihood of another early reduction in domestic inter-

the screens - taking their cue from the bond futures market. Equities turned off on the news that bank lending had jumped to £4.7bn in March but were helped because of the Bank's actions in the London money markets earinto higher ground later by a strong opening on Wall Street. Government honds, equally unsettled at first by the lending numbers and by a 16.7 per cent anoualised gain in M4 money have been moving up for a fort-supply, quickly turned higher as night, turned down by about % sterling headed sharply opwards yesterday as profits were taken.

gain.

Dealers admitted to feeling complussed by the equity market's reaction to the the laterdismist in the interest rate/sterling attention in a generally buoyant electronics sector with the shares closing a further 10 higher at 243p on turnover of 11m. Turnover own Wednesday was 3.9m and on Tuesday 12m. nonplussed by the equity mar-ket's reaction to the the latest twist in the interest rate/sterling rate conundrum. The combination of a strong pound and the reduced likelihood of a base rate cut might have been expected to on Tuesday 12m. Yesterday's aurge of buying interest came in the wake of hurt the market as it approaches today's closure of a trading account. The two week period has brought net gains of only about 12 FT-SE points in someabout to launch a hid for the company. But analysts and dealwhat speculative trading, and profit-taking was expected yesterday. However the early gain in the Dow, which took it away from a chart danger area, finally proved irresistible to London

The FT-SE Index, down eight points in initial response to the points in initial response to the later rallied to close unchanged hatch of UK economic data, at 322p after turnover of 4m. closed a cet 5.1 up at 1791.9. Seaq volume remained unexciting at 397.9m shares (451.4m on Wednesday), but included significant activity in such major hime chips as Plassey, GEC, Racal and Hawker Siddeley.

The major institutions continued to stay out of the way, but the trading houses showed little inclination to sell stock. This inclination to sell stock. This week's modest improvement in equities has often reflected somewhat speculative huying, sparked off by Jacobs Suchard's interest menting "I suspect that will leave menting "I suspect that will leave

Firm hid developments, however, have become harder to find - a much-rumoured "dawn raid" on Storehouse, the store chain, failed to materialise yesterday, as did the predicted move against Sun Life earlier in the week.

Underlying confidence in the by presentations to City analysts by Shell and RTZ. The Shell team

Gilts and equities steady from initial disappointment

with money supply statistics

	ADr.			Apr.	Apr.	Apr.	Apr.	Year	19	188	Since Co	mpilation .
	21	20	19	18	15	Ago	High	Low	High	Low		
Government Secs	91.91	91.09	91.31	91.43	91.26	91.01	91.43	86.97 ·	127.4	49.18		
		 !		l		ļ	0.8/4)	מאַט	(9/1/35)	G/1/75)		
Fixed Interest	97.92	97.90	98.31	97.75	97.92	97.07	98.31	94,14	105.4	50.53		
	1423.4	1419.4	1429.7				119/40		(28/11/47)			
Ordinary 7	14234	4747.7	1424.1	1419.6	1415.7	1555.2	147B.7	. 1349.0	1926.2	49.4		
Gold Mines	208.6	236.4	218.1	221.4	217.5	435.4	(4/3)	(8/2)	Q6/7/87)	(26/6/40)		
COLINE DE LINES			-10 .1		4/.5	430.4	312.5	208.6 (ZI/4)	734.7	43.5 (26/10/71)		
l		}		i	i	l I	17/11			CHIMIT		
Ord. Div.Yield	4.58	4.59	4.53	4.57	4.57	3.74	<u> </u>	S.E AC	TIVITY			
Earnings Yld. %(felD	11.86	11.91	11.80	11.89	11.91	8.60	k	ndices	Apr.20	Apr.19		
P/E Ratio (net)(*)	10.31	10.27	18.40	10.33	10.31	14.39	Gift Edged	Bargeles	148.4	142.2		
SEAQ Bargains (Spm)	21.815	22,769	23,165	26,075	26,144	38,943	Equity Bars	, zies	152.5	157.6		
Equity Turpover (£m)		1082.69	976.14	972.90	1746.77	1161.35		£		1973.0		
Englity Bargains		23,536	24.320	26.257			Gilt Edged	age	145.4	141.0		
	_				27.117	46,333	Equity Bary	pains	167.8	169.5		
Shares Traded (mi)	-	404.9	396.9	389.4	454.3	· •	Equity Valu	T	2543.1	2588.8		
						<u> </u>	L					
♥ Opening 10 a	.m.	11 a.m	1 12	p.m.	1 p.n	n. [2 p.m.	3 p.m.	7 4	p.m.		
1413.2 142	กร	1419.0		15.8	1419		1419.3	1420.		21.3		

Basis 100 Govt. Sets 15/10/26, Fixed int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, 8 E Activity 1974, * No. 20. LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

saying the shares are a "good buy and deserve their premium rating". But Citizan Carlon 1980. rating". But Citicorp Scrimgeour Vickers say the stock is "overvalued" and recommend a "switch into Royal Bank of Scotland,

gence of interest in BP "new" which settled '4 up at 77%p after Life assurances continued to make strong progress amid continuing stories of possible take-over moves. Abbey Life, were again well supported by income funds and put on a further 10 to were a fraction easier at 2730. Second line oils came in for strong "new-time" support with Ultramar especially favoured and

finally 12½ np at 277½p 295p on turnover of 2.3m shares. reflecting revived takeover speculation; in addition yesterday dend and where stories of futher marked the introduction of deal-stake-building by Larry Adler's ings in traded options in Ultra- FAI continued to circulate, rose 9 more to 463p.

Clyde jumped 6 to 144p, while "Any movement in the sector talk of encouraging drilling news is now attributed to "down-unin the offing lifted Knterprise 3 to der" interests either increasing in the offing litted knterprise 3 to der" interests either increasing 370p. A sharp difference of opinor building up a stake" said a
ion between two leading UK securities houses as to the merits of had performed strongly yesterBurmah led to intense trading in: day. The shares of the Northernthe stock which closed a net 3 off besed brewer flipped higher late at 557p after rising sharply earlier in the week.

The major banks drifted aimlessly for much of the session but
staged a useful recovery late
wheo Wall Street moved up
briskly.

A stronger surge yesterday had
tradars doubting this and
rumours soon began to circulate
of "down-under" buying. Market
speculation was divided on which The Scottish banks attracted of the three Antipodean entrepre-good interest after generally neurs holdings stakes in UK favourable Press comment on brewing groups, Sir Ron Brierley Bank of Scotland's 10.8 per cent and Messrs Alan Bond and John profits rise. The latter advanced Elliot, was the culprit. Vaux, due

Other Regional hrewars became enmeshed in the speculation and Greenall Whitley rose 6 to 218p while Greene King gained with a cheaper PE and yield and 5 to 441p. The majors were not takeover speculation in the share completely overlooked, although price for nothing". Royal Bank business in Allied-Lyons was Newcastle, another rumoured target for a "down-under" predator, advanced 6 to 281p. George Wimpey provided the chief feature in the Building sec-

tor, rising 10 to 258p on turnover

The increase in business accom-panied a revival of rumours that Grove Charity, which would have a major say on whether a bid for

been approached for its 35 per cent stake. All eyes in the retail sector were concentrated on Storehouse as the market opened expecting either a so-called "dawn-raid" or full—scale takeover bid. But neither event occurred and Store-house shares dipped sharply to 279p on disappointed selling before picking up strongly to close the session a net 8 off at 287p after turnover totalling 10m

Wednesday evening's rumours of consortium bids involving Mountleigh and the Robert Max-well interests and a possible 400p a share offer from Lonrho denied by the latter — were fol-lowed yesterday by stories that Far Eastern interests had been heavy buyers in recent days. Etam added 7 at 284p after

announcing preliminary profits up from £12.26m to £17.87m. Other top-line electricals also as the market responded favours

MEN INCHES (45).

BIGNISH PURES (1) INCHES (1) BUILDINGS
(5) STORES (5) ELECTRICALS (1) BUILDINGS
(7) POODS (5) HOTELS (1) INCUSTRALS (15)
BUILDINGS (1) LEBURE (5) BOTORS (1)
PAPERS (6) PROPERTY (14) TRUSTS (6) DILS (1)

FARES (7) TRUSTS MARKET (7).

LONDON TRADED OPTIONS

NEW HIGHS AND LOWS FOR 1988

market Ibuprofen in the US. AAH remained in the lime-light, rising 10 further to 283p attracted a heavy two-way busifollowing news of the sale of its ness. GEC, where 5.8m shares changed hands, settled little DIY division, Focus Homecentres, for a cash consideration changed names, settled in the changed on the day at 151%p, but Plessey, still stimulated by various rumours of imminent hid moves, moved up 2 to 159p after of £3.2m plus a further sum

equivalent to the working equity

ous rumours of imminent bid moves, moved up 2 to 159p after persistent "new-time" buying.

Thorn EMI raced ahead to close 14 higher at 620p on turnover of around 1m after Chase Manhattan Securities Issued a "buy" recommendation. British Telecom were 4 pence harder at Triples around to the working equity reported in the July calls. Ultramar calls to also payable in cash.

Savage closed 13 up at 198p in tract was relatively with only 962 calls are reported. Total control of two French companies. The group is purchasing Habitat, out at 39,353, comprising of power tool. m were 4 pence harder at Triplex, suppliers of power tool 251p on turnover of 2.6m shares following further persistent buy-Metal Closures, enlivened by

ing interest from Nomura the news that Suter has increased its panese securities house.

Business expanded in Hawker
Business expanded in Hawker
Stake to just over 15 per cent.

Stake to just ove Japanese securities house. response by analysts to the pre-liminary figures with the shares moving ahead in a volume of some 24m to close 8 to the good at 476p. Elsewhere in the Engi-neers, Rolls-Royce were also briskly traded (3.8m) before setson, in contrast, dipped 12 to 201p neers, Rolls-Royce were also on the poor response to the rights briskly traded (3.8m) before setting a couple of pence firmer at \$20m issue was taken up by \$120m.

Speculation in the Food sector continued to wane but Ranks Appleyard benefited from talk of a forthcoming presentation and jumped 20 to 421p; the Hovis McDougall made further Hovis McDongall made further progress on lingering hopes that Goodman Fielder of Anstralia may launch a bid for the company. The close was 5 higher at 342p following turnover of 1.2m shares. But Rowntree met further end-Account profit-taking and settled 7 off at 720p after some 2.2m shares had changed hands. annual meeting is scheduled for May 12. Other Motor distributors to advance strongly included Evans Halshaw, up 20 more at 315p, and H & J Quick which spurted 17 to 262p after comment relating to its property assets.

Brixton Estates responded positively to the annual results and better-than-expected net asset

value with a gain of 15 at 200p, but Helical Bar gave ground fol-lowing the preliminary figures to despite a rather disappointing set of figures from its Redpath subsidiary and closed only marginally cheaper at 760p. T & L's lowing the preliminary figures to close 22 lower at 288p.

Peachey were well supported and rose 12 to 452p, while Land Securities recovered from initial weakness at 562p to close 4 higher at 569p. A. & J. Mucklow found support at 165p, up 7.

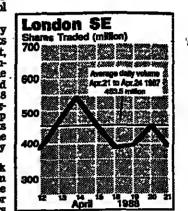
Polly Peck were another Overseas Trader to enjoy a strong run. Smith New Court bid aggressively for stock as the shares rose annual results are due next Thursday. Among Retailers, Dee Corporation firmed 5 to 188p, still in the belief that the manage-ment would be beefed up, and also announce the sale shortly of its Limicod subsidiary.

The early sharp improvement on Wall Street gave a modest boost to sentiment in the Interna-tional stocks but failed to gener-ate much in the way of business. Slightly easier initially, most quotations picked up to finish with small gains on balance. Hoots, up 4 at 226p, were one of the more actively traded stocks

47

following the denial that it was interested in Storehouse and ended 4 dearer at 239p, while Harrisons & Crosfield moved ahead 9 to 596p.

Electrical stocks featured Traded Options. Piessey calls were in demand at 2,837, while Racal attracted 1,660. Thorn also met with out-of-the-money call business. Trade in Ultramar options started yesterday and a good two-way business was reported in the July 260 and 260 calls. Ultramar calls totalled 2,484 with puts at 365. The FTSE contract was relatively neglected with only 962 calls and 1,001 puts reported. Total contracts came out at 39,353, comprising 29,327



Traditional Options

 First dealings Apr 18 Last dealings Apr 29
 Last declarations July 14 • For Settlement July 25 For rate indications see end of

tional option market yesterday. Stocks to attract money for the Channel Ship, Norfolk Capital, PLM, Kentish Property, Control Norfolk Capital, Explaura, BOM Holdings, Dares Estates, Astra Holdings, Electronic Machine and Blacks Leisure. No puts were sively for stock as the shares rose to close at 292p, up 17, amid hopea that the group will announce good interim results.

TRADING VOLUME IN MAJOR STOCKS





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FT - ACTUARIES INDICES These Indices are the joint compilation of the Financial Times. the Institute of Actuaries and the Faculty of Actuaries

higher in active trading after

board members delivered a "most

upbeat" presentation to Klein-

wort Grieveson, the London secu-

rises in UK bank lending and

money supply. After opening qui-etly, bonds shed about % as the

economic oumbers flashed across

But Gilts had already scaled

down their base rate expectations

lier this week, and prices quickly railied as sterling moved op.
Index-linked bonds (I-L), which

rumours that Cable & Wireless is

ers were sceptical of the stories pointing ont probable political objections to C & W holding both

the Mercury licence and the Vod-

afone cellular telephone licence.

Cable & Wireless shares dipped

to 317p on the rumours, mirror-

Inchcape exceeded all but the most optimistic estimates when

revealing annual profits of £116.2m compared with £86.1m for 1987. Indications that the

trend had continued in the first-quarter encouraged analysts to raise forecasts for the current

year, and many opted for a figure of £130m.

me at the cautious end of the range". The shares, a strong mar-

ket since Monday, rose 19 further

to 738p. There was a marked resur-

Government securities ended

	EQUITY GROUPS & SUB-SECTIONS	Finishing Pipell AZ 1700					Wed Apr 20	Tec Apr 19	Mon Apr 18	Year ago (approx)	
Fig	Figures in parentheses show number of stocks per section		Day's Change	Est. Earnings Yield% I Max.)	Gross 9iv. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1968 to date	todex No.	fadex No.	index No.	Index No.
1	CAPITAL 60005 (207)	754.03	+0.3	10.03	3.96	12.48	6.84	755.34		753.37	839.76
2	Building Materials (29)	1020.22	+0.1	10.24	3,76	12.16	3.60	1019.30			
3	Contracting, Construction (34)	1576.39	+03	9.22	3.31	14.54		1591.00			
4	Fierreicals (12)	£2882 48	+8.7	7.45	4.95	12.83		1987.96		1966.32	2063.12
5	Electronics (32)	1544.57	+9.7	19.68	3.45	12.21	11.94	1533.85			
6	Mechanical Engineering (56)	379.79		10.06	4.36	12.51	5.07	390.67		390.53	
a	Metals and Metal Forming (7)		+0.1	9.45	3.89		3.07	453.33		456.96	
. 9	Motors (1.3)		-0.5	11.71	4.52	7.58		272.36		274.99	
10	Other Industrial Materials (24)		+4.5	9.87	4.42	13.15	16.51	1239.44			
21 22	CONSUMER GROUP (188) Brewers and Oistillers (21)		+0.2	19.32	3.51 3.54	14.67	5.33 7.49	1656.72			
25	Food Manufacturing (23)	1 854 F4	-0.4	9.30	3.90	13.80		860.34		868.53	872.34
26	Coord Detailing (76)	9774 5A	+0.6	7.76	2.97	17.26		2192.21		2076.67	
27	Health and Household (12)	1783 06	+0.3	6.93	2.67	17.15	5.26	1730.15		1769.90	
29	Health and Household (12) Leisure (30)	1281 67	+4.9	7.91	3.69	16.21	19.59	1267.7		1272.00	
31	Parkaolno & Pager (17)	427.65		9.01	3.93	14.55		464.00		483.29	
32	Packaging & Paper (17) Publishing & Printing (16)	3329.04		8.21	4.45	15.16					
34	Stores (35)	841.64	+9.3	9.43	3.66	14.85		839.5			
35	Textiles (12)		-0.8	12.55	4.19	9.95	0.44	594.81		584.23	
40	OTHER CROUPS (93)	367.86	+0.5	10.79	4.32	11.48		863.5			
41	Agencies (19)	1148.95	+8.4	7.04	2.31	18.25		1244.72		2136.81	1389.98
42	Chemicals (20)	992.18		12.07	4.89	10.15		991.73	995.72	988.44	1195.39
43	Chemicals (20)	1150.14		10.18	4.53	11.57		2149.71	1153.43	1143.67	1242.38
45	Shipping and Transport (12)	1878.22	+8.3	9.71	4.48	13.64	21.37	1876.50	1901.02	1877.95	1960.23
47	Telephone Networks (2)	J 960.03	+1.3	17.27	4.29	11.57	9.00	947.52		944.45	
48	Miscellaneous (26)	1120.02	+0.4	12.78	4.49	7.37	18,12	1115.37	1119.85	1116,60	1285.39
49	INOUSTRIAL GROUP (488)	939.23	+9.3	7.64	3,85	13.09	6.66	936.31	941.32	934.62	1025,99
51	Oil & Gas (12)	1848.12	-0.2	10.36	5.55	12,47	37.57	1852.04	1874,49	1876.26	1818,16
59	500 SHARE INDEX (500)	1915,87	+9.2	9.74	4.09	12.99	9.25	1013.54	1019.59	1073.37	1893,04
61	FINANCIAL GROUP (122)	670.26	+0.4		4.90	_	10.54	667.63	646.98	663.07	691.14
62	Banks (8)	623.02	+0.5	24.18	6.52	5.55		629.14		619.43	755.89
65	Insurance (Life) (8)		+1.3	-	5.05	_	21.39	981.13		95L96	
66	Insurance (Composite) (7)		-0.2	-	5.54	-	8.40	535.80		534,17	528.17
67	Insurance (Brokers) (7)	993,27		17.58	7.11	11.27		993.AS		\$65.58	
68	Merchant Banks (11)	349.30	+8.6		4.12		3.61	347.15		341.44	
69	Dennasty (51)	1168.72	+0.4	4.78	2.67	26.73	3.42	1155.91			767.46
70	Other Financial (30)	389.75	*******	9.93	4.23	12.65	3.61	389.45		390.52	452.34
71	Investment Trusts (82)	872.61	+0.4	- 1	2.92	-	5.49	368,64		865.97	955.54
81	Mining Finance (2)	449.04	+2.1	18.34	4.19	10.92	2.41	439.99		445.62	467.99
91	Overseas Traders (8)		+2.4	16.43	5.26	11.26	14.93	1005.31			924.65
99	ALL-SHARE INDEX (714)	923.67	+0.3	-	4.19	•	9.25	720.81	925.79	919.91	986.85
		Index	Day's	Day's	Day's	Apr	Agr	Apr	Apr	Apr.	Year
_		No.	Change	High	Low	20	19	18	15	14	300
	FT-SE 100 SHARE INDEX 4	1791.9	+5.1	1792.1	1774.3	1786.8	1798.9	1787.4	1778.6	1787.2	1968.3
	FIXED INTER	EST			REDE	AGE GRO MPTION	SS YDELDS		Thu Ager 21	Wed Apr 20	Year ago (approx.)
_		Maria I			Beltleb	Course	_				

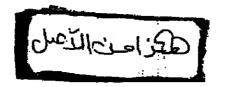
	FI	XED !	NTE	REST				REDEMPTION VIELDS	21	Ap 20	ago (approx.)
	PRICE INDICES	Thu Apr 21	Day's change	Wed Apr 20	xd adj. today	xd adj. 1988 to date	1 2	British Government Low 5 years Coupons 15 years	8.97	8.44 8.96	8.17 8.88 8.90
3	5-15 years Over 15 years Irredeemables	124.13 142.26 150.60 171.56	-0.14 -0.12 +0.06	124.26 142.46 150.77 171.46	- -	3.76 4.46 S.65 1.54	6 7 8	25 years	9.26 9.10	9.88 9.18 9.07 8.98 9.32 9.10 8.70	9.04 9.09 9.07 9.21 9.22 9.02
	All stocks Index-Linker 5 years Over 5 years	126.60 126.48 126.00	-0.09 -0.40	126.72 126.72 120.96 121.25	- -	0.51 1.10 1.12	12 13 14	index-Linbed Inflation rate 5% Inflation rate 5% Over 5 yrs. Inflation rate 10% Over 5 yrs.	1.25 3.53	2.19 3.67 1.21 3.50	2.95 3.53 2.39 3.41
_	Debentures & Laura			120.37 90.38	-	2.67 1.90	16 17	Dels & 5 years Leant 15 years 25 years	10.50 10.50 10.50	10.89 10.58 10.58	9.97 10.08 10.11

Apr. 18

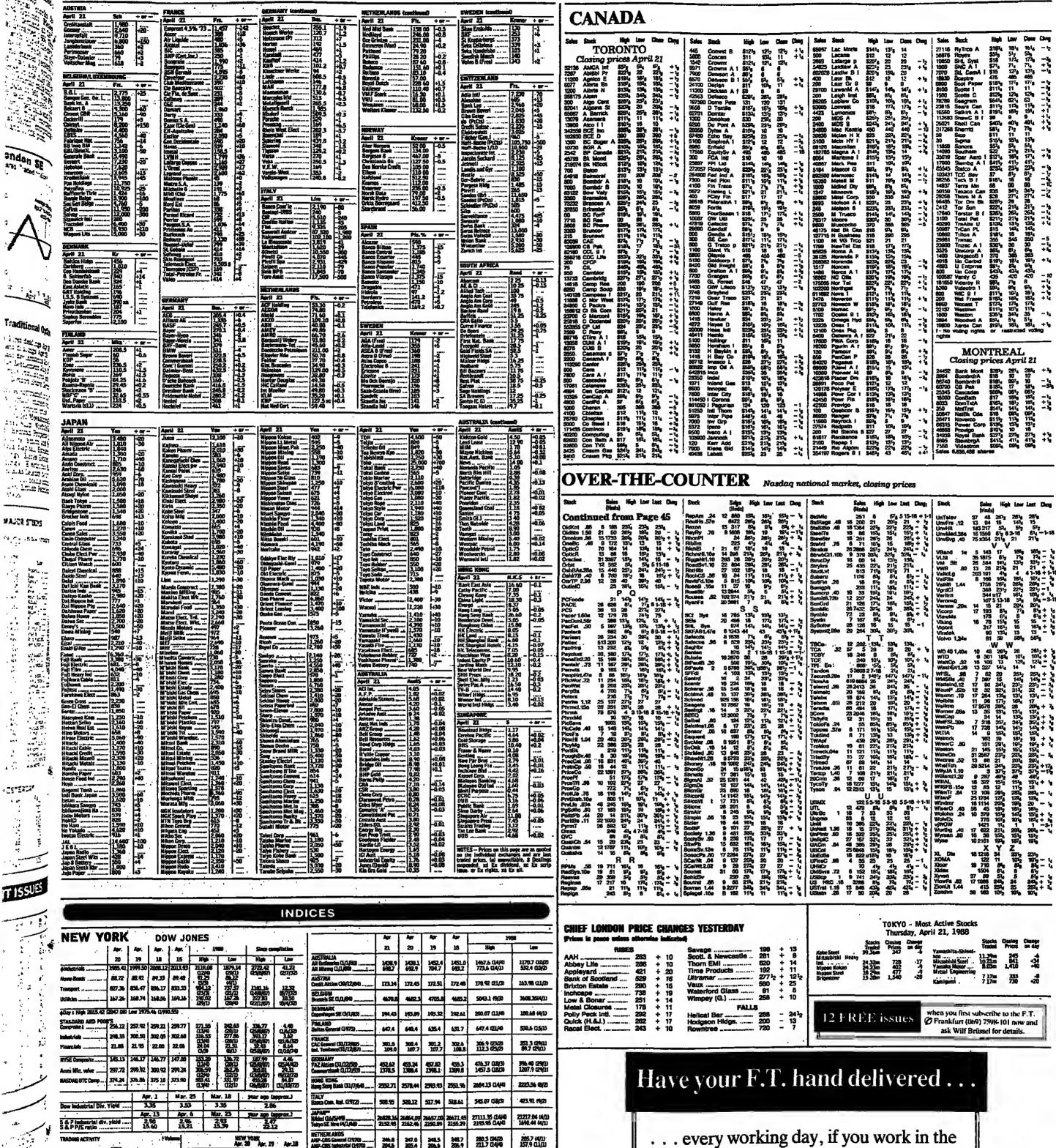
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Traditional Open

MAJOR STOPS



WORLD STOCK MARKETS



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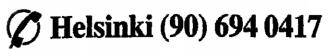
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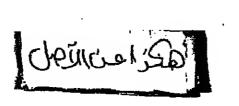
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Aristo Niship of Niship | Charles | 4.3 | 4.3 | 4.3 | 4.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 71 150 27 15 150 27 150 317 443 misken 11214 2015 misken 4 2015 misk



NYSE COMPOSITE CLOSING PRICES

IAMEX COMPOSITE CLOSING PRICES

Wall Street drop

AMERICA

Dow finishes slightly up after early surge

declines, the equity markst per cent bounced back strongly yesterday half hour period during afternoon trading, writes Janet Bush in New

The Dow Jones Industrial Average had jumped 15 points within the first half hour of trading and then built on its gains to stand around 30 points higher for most of the day. However, between 2.30 and 3pm, the index had fallen back more than 20 points. The Dow closed only 1.99 point up overall at 1,987.40. Volume was relatively active with around 169m shares having

changed hands. US Treasury bonds traded in a very narrow range all day and closed mixed. Shorter maturities

Wall Street

were quoted lower to unchanged in late trading while the Treasury's benchmark long bond stood % point lower to yield 9.02

Bonds were undermined by a only to lose all its gains within a half hour period during afternoon trading, writes Janet Bush in New York.

The Daw Janes Janet Husbard of genuine end-demand which has genuine end-demand which has dogged the market for some time. Currency trading gave little guidance to either market with the dollar trading in a tight range. In late New York trading.

it was quoted at Y124.30, near its day's highs, and at DML.6685. Both bond and equity markets are still suffering from residual nervousness after last week's extreme volatility in the wake of February's US trade report. Because of this, investors had not reacted until yesterday to this week's string of positive corporate results.

One interesting piece of news in the stock market which would estenday was the announcement provoke a flight to quality. by Merrill Lynch that it adjusted its model portfolio, advising clifocus yesterday. Staley Continenents to cut their stock exposure tal added \$% to \$37% after the to 40 per cent from 45 per cent board recommended shareholders and boost their commitment to to reject the \$82 a share bid from the bond market to 45 per cent Tate & Lyle of Britain, Staley

from 40 per cent.

Mr Charles Clough, Merrill's alternatives such as a sale to a chief investment strategist, said third party or a leveraged buyit was urking higher exposure to out. the bond market because he Elgin National Industries expected current inflation fears added \$1% to \$17 after news that to recede. He added that with it had agreed to be taken over by yields on the benchmark long Jupiter Corp for \$17.25 a share, bond now over 9 per cent, bond Among companies reporting yields were about three times the results were Salomon Brothers

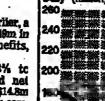
average stock yield. and American Express. Salomon Despite the fact that the bond announced first quarter net earn-Despite the fact that the bond amnounced first quarter net earnmarket appears to be highly overings of \$1.19 a share compared
sold, there still seems to have
with 96 cents a year earlier. It's
been little domestic or foreign share price slipped \$\%\$ to \$21\%.

American Express, which
priming their hopes almost excitusively on another major decline 62 cents a share compared with

\$314m or 71 cents a year earlier, a total which had included \$49m in deferred income tax benefits, slipped \$% to \$23%. Data General added \$% to

\$23% after it announced net income from operations of \$14.8m for its fiscal second quarter com-pared with a loss of \$24.4m a year earlier. Compaq Computer fell \$% to \$50% on news of net earngs of \$1.21 a share compared with 56 cents a year earlier.

Schering-Plough, the pharma-ceutical and consumer products company, fell \$1% to \$47%. The company announced first quarter net earnings of 91 cents a share compared with 72 cents a year



Delly (million) 240 240 220 200 140 140 140 140 140 157,912,000 with the second to the second 7 8 11 12 13 14 15 18 10 20 3 April 1988

The composite index, which was up about six points earlier, closed down 15.7 at 3329.7, on moderate volume of 25.5m shares. Royal Bank of Canada, Toronto Dominion Bank, Bank of Nova Scotia and National Bank all raised their prime rates to 10%

per cent. Good reports from Adla, inspectorate and Surveillance have helped their prices to recover from the beating they took in October.

Chemicals have lost 5 per cent since March 18 after climbing between 15 and 16 per cent from

the beginning of the year. But it is banks, with a 9.5 per cent decline since March 18, that

remain an investor's bugbear --in spite of the fact that big bank
shares are trading at historically

high yields of well over 4 per

moving between a high for the day of 26,870.74 and a low of 26,790.79. Volume shrank to 667m shares from Wednesday'a 993m and declines on thumbered advances by 501 to 402, with 155

THE FRESH fall on Wall Street

tions of higher prices to come remained strong financial state-ments to be released from mid-May by businesses which closed their books in March are expectheir books in March are expec-ted to show improved earnings. Nevertheless, wariness about a possible rekindling of inflation in the US precluded them from entering the market aggressively. While giant-capitals, high-tech-nology stocks and other leading

shares were neglected, investors sought issues with specific incen-tives and speculative stocks to earn short-term capital gains. Bridgestone closed Y20 higher at Y1,540 after rising to Y1,560 on further consideration of its bld for the tyre division of Firestone The and Robber of the US.

Mitsubishi Steel was sought as a laggard, gaining Y34 to Y841, while Yamaha Motor remained

Hopes of a new general rally remain strong among brokers. Pension funds are awash with cash, money market rates are low, and bond yields are declining — so the fixed-income sector while Yamaha Motor remained popular, gaining Y40 to Y1,410.

Kamigumi rose Y20 to Y730 on rumours of speculative buying. However, recently popular Mitsui Engineering and Shipbuilding lost Y8 to Y333 after rising Y1.

Among speculative issues.

Taisho Pharmacentical surged Y30 to Y3050 on reports that it

> will set up a communications network.

Y50 to Y2.050 on reports that it

saps spirit of Japan's investors Bond prices moved narrowly in the absence of new factors influencing the market. Dealers were concerned about possible dampened enthusiasm in Tokyo rises in US interest rates.
yesterday and share prices The yield on the benchmark 5.0

yesterday and share prices slipped in thin trading, writes Shigeo Nishiwaki of Jiji Press.
The Nikkei average ended 35.93 ended at 4.445 per cent, down slightly from 4.470 per cent at slight ended at 4.445 per cent, down slightly from 4.470 per cent at Wednesday's close. On the other hand, the yield on the former benchmark issue, the 5.1 per cent bond due in June 1996, finished the state of the state at 4.420 per cent compared with Wednesday's 4.435 per cent close, osaka Securities Exchange prices turned down alightly as leading shares were neglected.

The 250 issue OSE stock average ended 39.34 points lower at the fine in the Gulf faded.

Institutional investors expectations of higher prices in common to the common terms of higher prices in common terms.

Osaka Securities Exchange prices turned down alightly as leading shares were neglected.

The 250 issue OSE stock average ended 39.34 points lower at 26,773.39, on an estimated volume down 26m to 8km shares.

Kinki Electrical Constructions

Soda Y50 to Y1.680.

Australia

AFTER Wednesday's sharp fall, Australian shares picked up on bargain-hunting and a stronger local dollar, shrugging off lower commodity prices and declines in other leading markets.

The All Ordinaries index closed

8.6 higher at 1,438.9 after a weak start gave way to demand for banks, selected industrials and resource and mining stocks.

Despite the fall in the bullion price, selected gold stocks rose, notably Metana, up 20 cents at A\$8.30, and Newmont Australia, which gained 10 cents to A\$1.55.

Singapore

SMALL investors dominated thin and uncertain trading in Singa-pore, where buying and selling alternated to leave prices mixed. The Straits Times industrial index rose 6.01 to 944.49.

Hong Kong

Large-capital stocks fared poorly. Kobe Sieel dipped Y6 to Y347, although the issue topped the active list with 39,36m shares traded. Mitsubishi Heavy Industries, second busiest with 24.32m shares, declined Y17 to Y728.

WEAKNESS in Tokyo and New York undermined sentiment in Hong Kong and left share prices lower across the board in quiet trading worth about HK\$750m. The Hang Seng index finished 25.73 lower at 2,552.71.

William Dullforce looks at why volumes remain low in Zurich despite good fundamentals Dollar fears keep foreigners and fund managers at bay

THE SWISS stock market has prices over two days just before seen relatively low volumes over Easter, as investors reacted to a the past two weeks as foreign investors and domestic pension fund managers continue to stay away in force, in spite of good

The fundamentals include an economy that is in good shape, a strong currency, a series of corporate reports presaging better earnings prospects for 1988 than previously expected, and the relative cheapness of Swiss stocks.

York, which provoked a 38 per cent plunge in the Swiss market, investors are still reluctant to trust in Swiss equities as long as uncertainty hovers over the US financial markets

in the 7 per cent drop in share

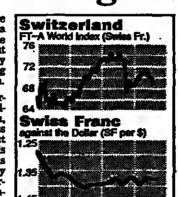
CONTINUED fears about Wall

Street and the dollar kept a rein

weakening in the dollar rate. The sudden fall followed a slow but steady rally from mid-January and improved monthly trading volumes from January to March.

The hopes of a return of foreign investors to help boost vol-umes have, ironically enough, been countered by some Swiss companies' attempts to protect themselves against takeover bids dollar and Wall Street. Six and Sandoz moved to tighten furmonths after the crash in New York, which provoked a great street on the restrictions on the restrictions. and unwanted ontsiders. This

> Registered shares are not available to non-Swiss investors, but, as one Zurich broker exclaimed: "When they see Ciba-Geigy cas-trating its shareholders, it puts



The SBC general index reached its 1988 peak of 526.2 on March 18, a climb of 12.6 per cent from the beginning of the year. Last Wednesday's fall took it to 4945, or 6 per cent below the peak, and

yesterday, after a quiet day, the

index closed at 493.8.

On Wednesday, investors reacted negatively to Pirelli's restructuring, and the price of the Zurich-listed Société Internationals Pirelli tumbled 12 per

Takeover stocks were again in

said it would explore various

Zurich's response to the worse-than-expected US trade figures last week was more resilient, however, with the index losing only 1 per cent the day after the news, compared with the drop of close to 5 per cent on Wall Street. The hig Swiss banks reportedly intervened to keep up prices.

Prices of Swiss bearer shares and non-voting participation cer-tificates available to foreign investors have been more volatile than those of the registered shares. They have recovered some of the ground lost during October but, compared with the 8 per cent rise in registered stocks

takeover speculation, was

expected. Analysts were sur-prised the dividend was held at

FI 7, seeing this as a move to placate shereholders before the crucial mid-June AGM.

ZURICH closed almost unchanged in low turnover as

most investors sat on the side-lines, impervious to good corpo-

rate results or the rise in the dollar. The Crédit Suisse index cased 0.5 to 450.7.

over the pest 12 months, the par- March 18, has since slid back by 6 ticipation certificates have tum-hled by 10 per cent and the bear-

Interest has concentrated recently on metals and mechani-cal engineering stocks. The small metals sector has seen a 35 per cent surge over the past three months, based on recoveries at Alusuisse and Von Roll. SBC's metals and machinery

SBC's metals and macninery sub-index rose 18 per cent from the start of the year to March 18 and has fallen by only about 25 per cent since. The sector has been boosted primarily by improved prospects for Brown Bovari after its merger with Sweden's Asea, by renewed interest to Game Fischer and the strongle. den's Asea, by renewed interest in Georg Fischer and the struggle for control at Sulzer.

The miscellaneous services sector, which recovered by about 25 per cent between January 1 and

SOUTH AFRICA

THE WEAKER financial rand led to foreign buying of Johannes-burg gold stocks, which helped to pick prices up from their day's

The financial rand ended spended at Fl 246, up 80 cents, \$2.91 against Wednesday's \$2.88 fore announcing a 1967 loss of after news that a US Bill impos-FI 1.01bm, alightly higher than ing economic sanctions against

South Africa had cleared the first Congressional hurdle. Early selling of golds had be prompted by a weaker bullion price as the market opened. Among such issues, Vaal Reefs finished R10 lower at R243, Free-

ing ... so the fixed-incume offers no real competition to equi-ties, they argue.

gold lost R1 to R28.50 and Buffels-fontein shed R2.25 to R51.25.

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on bourses around Europe, and most lost ground yesterday. But Paris rose as the trading month ended, writes Our Markets Staff. FRANKFURT ended lower in quiet trading as investors kept one eye firmly fixed on movements on Wall Street and in the

Corporate news provided only small price movements overall, and the FAZ index ended 2.62

People think it looks like Frankfurt's had its run," said one analyst. "There really is a dearth of stocks that you can put your finger on and say "that's undervalued and is going to grow 10

News of higher group profits gave just 50 pfg to chemicals stock BASF, which closed at DM245.70. Investors appeared reluctant to move before seeing the fine details, to be released with the annual report.

In the publishing sector, Axel Springer dropped DM40.50, or 7 per cent, to DM519.50 after news that the Burda brothers were selling their 26.1 per cent stake to the Springer family. Favourable reaction to Preussag's venture with Penarroya of France helped the West German metals group

rise DM6.50 to DM169. Bond prices were slightly firmer and the 6% per cent 1998 unit added 5 pfg to yield about 6.26 per cent after the previous

6.27 per cent.
PARIS closed higher at the endof the April monthly trading account after another session

London

Transatlantic worries hit prices

EUROPE

THE STRONG start on Wall Street boosted international, stocks in London, though volumes remained low. Boots shone on news of a joint ven-ture with Hoechst in the US.

dominated by Cie du Midi and Peugeot. The CAC General index, based on opening prices, showed a 1.1 rise to 301.5, while the Indi-1.30 to 109.00. Volume remained fairly low in

the run-up to Sunday's first round of the presidential election, but domestic buying continued after the official close, signalling a possibly bullish start to the new trading month today.

Insurance and industrial group Cle du Midi saw its shares end

FFr65 higher at FFr1,775 after a rash of statements related to Generali of Italy's stake-building. Generali, which holds at least rash of statements related to take of statements related to take of statements related to take of take's stake-building. Generali, which holds at least 13.6 per cent, to 1.052. The MIB index fell 23, or 2.1 per cent, to 1.052. The MIB index fell 23, or 2.1 per cent, to 1.052. The MIB index fell 23, or 2.1 per cent, to 1.052. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.253. The MIB index fell 23, or 2.1 per cent, to 1.052. The MIB index fell companies acquiring stakes of more than 20 per cent would from April 25 have to declare their final intentions.

The lead from New York outweighed a strong pound and increases in UK bank leading and money supply, leaving the FT-SE 100 index 5.1 better at

from St Louis. Construction to media group Bouygues added FFr11 to FFr775 following a small rise in 1987 profits in line with expectations. Générale des Eaux, the water dis-

companies acquiring stakes of lower, with it losing L2,600, or 3 more than 20 per cent would per cent, to L87,520.

Recent bot favourite Burgo, the paper producer, dropped L610, or 5 per cent, to L12,990.

BZW in London, said Generali was probably interested in acquiring Midi's insurance interests but could not state its intentions over US inflation and its but could not state its intentions over US inflation and its but could not state its intentions over US inflation and its but could not state its intentions over US inflation and its but could not state its intentions over US inflation and its but could not state its intentions.

Generals des Eaux, the water ins-tribution company which is plan-ning a rights issue, jumped FFr60, or 5.5 per cent, to FF71,140. MILAN was hit by negative reaction to the complex restruct-uring of Pirelli, which returned to trading after being suspended for two days. Ciba Geigy, the pharmaceuti-cals and chemicals company, rose SFr45 to SFr2.825 after forecasting stable profit levels for 1988 and reporting a 6 per cent rise in first quarter profits. Société Internationale Pirelli for two days.

Pirelli plunged L429, or 12.8 per cent, to L2.981, falling after hours

bearers fell Sfriß to Sfr265. STOCKHOLM recovered from early losses to close virtually unchanged on bargain-hunting. The Affärsvärlden index gained 2.1 to 795 and the 16 most active stocks accounted for most of the

Chemicals stock Sandoz was unchanged at SFr11,650 despite its prediction the previous day of profit growth this year. BRUSSKIS shares slipped in

thin trading amid uncertainty about the direction of interest rates, inflation and the dollar.
In chemicals, Solvay dropped
BFr275 to BFr12,025 and UCB tions openly given the proximity of the elections and sensitivity support and the all-shars index over recent Italian moves into over recent Italian moves into closed steady at 84.7.

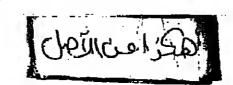
Belgium — with the Société Générale battle — and France — with which has risen 54 per cent in the Ferruzzi's purchase of Lesieur past three months largely on the state of t gained BFri10 to BFr8,930 after rumours that holding company

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIDNAL MARKETS		THUR	SDAY APRIL	21 1988		MEDH	ESDAY APRIL	DOLLAR INDEX			
Figures in parentheses how number of stocks per grouping	US Dollar Index	Day's Change	Pound Sterling Index	Local Currency Index	Gross Olv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (89).	119.89	+0.8	93.62	106.09	4.09	118.88	93.08	105.44	122 31	91.16	129.10
Austria (1,6)	92.10	+0.2	71.93	79.49	2.64	91.94	71.99	79.24	98.18	84.35	92.44
Beiglum (65)	126.77	-0.4	99.00	109.42	4.56	127.28	99.66	109.86	139.89	99.14	119.61
Canada (126)	122.84	-1.0	95.93	109.72	3.00	124.05	97.13	110,31	125.49	107.06	128.03
Denmark (39)	119.89	+0.4	93.62	104.19	2.77	119.43	93.51	103.83	123.36	111.42	112 91
Finland (25)	126.64	+0.6	96.90	1.05.82	1.98	125.84	98.53	105.01	127.89	106.78	_
France (121)	88.04	+0.B	68.75	78.03	4.32	87.34	68.39	77.41	88.72	72.77	119.94
West Germany (99)	78.10	-0.7	60.99	67.55	2.71	78.65	61.58	68,02	80.79	67.78	94.66
Hong Kong (46)	100.68	-i.i	78.63	100.99	4.51	101.79	79.70	102.08	105.83	84.90	107.30
ireland (18)	120.91	+1.2	94.42	106.18	418	119.51	93.57	104.95	123.91	104.60	11939
taly (102)		-2.4	60.44	77.51	262	79.31	62.09	73.23	81.74	62.99	109.84
Japan (457)	172.72	-0.7	134.88	135.55	0.52	173.88	136.14	136.23	177,27	133.61	156.56
		+0.4	100.83	127.77	2.83	128.59	100.69	127.18	129.74	107.83	15161
Malaysia (36)			110.27	351.71	1.01	138,43	108.39	344.63	176.90	90.07	151.82
Mexico (14)		+2.0			1.01		85.50				
Netherland (38)	109.47	+0.3	85.49	93.21	4.96	109.19		92.97	110.66	95.23	114.92
New Zealand (22)	76.59	40.0	59,81	61.03	5.40	76.58	59.96	61.17	79.15	64.42	95.19
Norway (25)	125.53	-0.7	98.03	104.53	2.82	126.37	98.94	105.53	129.29	98.55	133.51
Singapore (26)	108.62	+0.5	- 84,82	100.24	2.49	108.07	84.62	99.70	114.93	97.99	125.13
South Africa (60)	125.44	-1.8	97.96	79.65	5.26	127.75	100.03	81.11	139.07	118.16	178.12
Spain (42)	152.21	-0.6	118.86	126.96	3.35	153.07	119.85	127.67	155.36	130.73	115.95
Sweden (38)	120.21	+0.1	93.88	104.06	2.71	120.05	94,00	103.92	124.75	96.92	121.39
Switzerland (56)	80.55	-0.2	62,91	68.67	2,50	80.73	63.21	68.82	86.75	76.22	97.61
	141.18	40.6	110.25	110.25	4.33	140.37	109.91	109.91	141.18	123.09	130.18
United Kingdom (330)	104.38	10.1	81.51	104.38	3.67	104.32	81.68	104.32	110.51	99.19	117,62
USA (583)	104.36	79.1	02.52							77-27	
Europe (1014)	116.19	40.I	86.05	91.27	3.84	110.13	86.23	91.33	110.71	97.01	115.82
Pacific Basin (676)	167.81	-0.6	131.04	132.95	0.71	168.86	132.22	133.59	172.26	130.81	153.68
Euro-Pacific (1690)	144.77	-0.4	113.06	116.39	1.67	145.38	113.83	116.81	147.53	120.36	138.58
	105.37	+0.0	82.29	104.72	3.63	105.38	82.51	104.70	111.28	99.78	118.17
North America (709)			71.06	79.35	3.40	91.39	71.56	79.68	92.81	80.27	106.96
Europe Ex. UK (684)	91.00	-0.4		99.67	4.20	108.41	84.89	99.66	111.82	87.51	118 53
Pacific Ex. Japan (219)	108.56	+0.1	84.78				113.12	116.32	146.49		
World Ex. US (1890)	143.82	-0.4	112.32	115.89	1.74	144.47				120.25	138.63
World Ex. UK (2143)	127.40	-0.4	99.49	112.12	2.12	127.89	100.13	112.45	130.28	111.77	130.45
World Ex. So. Af. (2413)	128.63	-0.3	100.45	112.17	2.32	128.99	101.00	112.42	130.%	113.26	130.11
World Ex. Japan (2016)	107.44	+0.0	83,90	99.72	- 3.74	107.44	84.12	99.75	110.99	100.00	118.00
	199 61	-0.3	100.44	111 04	234	128 99	100.99	112.20	130 92	110 0-	130 42
n - 144 - 14 Ladau (20472)	1794 6.1		1071.00		. / 42		11.47.77	116.6	1 1 2 1 7/		1 41 62

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 -- 115.037 (US \$ hadro), 90.791 (Pound Starting) and 94.94 (Local). Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackende & Co. Ltd.1987





The prospect of a free

brink of a downturn, faces demands that it share the cost of clearing toxic sites; and Aids is changing mortality patterns. The world is suddenly less

Step by step

insurance brokers alike out of the mood of calm optimism which pervaded the scene 12 months ago.

None of these issues was present in so stark a form a year ago, as insurers in the world's major markets basked in steadily months ago. Four issues stand out.

☐ First, in Europe there is now a very real possibility that 1992 will see the creation of a truly free market in financial services

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Insurance and

Insurance Broking

dream. Then, last December, the EC's Council of Ministers suddenly agreed on a draft directive providing for free cross-border competition for the insurance of large industrial risks.

There is still a great deal of market, or ready to react to the challenge of freer but harsher competition which 1992 may bring.

Take Britain's big composite have tended to function in surers. One or two have size able operations on the ground in relatively small, weak branch competition.

CONTENTS

and in Europe Profile: Allianz

The West German scene

The savings war Lloyd's: a personal view

3 🗀 illustration: John Batten Profile: Equitable Life

ment, they will have to build up a strong presence in each member state, equivalent to their organisation at home. Big acquisitions of insurers abroad, Mr insurers and many of their European acquisitions of insurers and many of their European acquisitions of insurers and many of their European acquisitions of insurers and many of their European acquisitions. Frangoulis points out, are a pean counterparts.

their approach to Europe. Last involved with the direct under-December, American International Group (AIG) - the only casualty companies have also histruly global US property/casualty torically been the world's biggest insurer — said it was reorganis- customers for reinsurance, often ing its continental European purchased from Lloyd's, or from operations into a new Paris-based the major European refront company. UNAT, specifically in the major European refront response to the impending creation of a genuinely unified Common Market. This was intended to eliminate fragmentation of its operations across national boundaries. It would "enable multina
mass of \$400n. aries. It would "enable mitting."

As a result, then, adverse developments in the US may international insurance coverage." AIG said.

an acceleration of mergers and yielded many bad omens about acquisitions. Two recent cases the state of the American mar-

Last September. Paris-based Compagnie du Midi defeated the New Zealand entrepreneur Sir Rom Brierley in a takeover battle for Equity & Law, the British life assurance company.

The acquisition was part of Midi's avowed aim of building a pan-European insurance group, and reflected a feeling among French insurers that they are too small to stand alone in a tougher world post-1992.

ket. First, as early as last spring. First, as early as last spring. Signs began to appear that US property/casualty insurers were cutting the prices they charge for insurance for business customers.

This was very disturbing, because it appeared to indicate that another crippling price war might be on the way in the US after only two-and-a-half years of premium rate increases. At first, world post-1992.

now. This was widely seen as part of Skandia's strategy of

now. This was widely seen as part of Skandia's strategy of strengthening itself in the Nordic region in the run-up to 1992.

It is easy, however, to over-estimate the significance of 1992 and all that it will mean. The hard fact is that, for better or worse, even long after 1992, the notoriously cyclical fortunes of the US property/casualty market will probably remain the single most important factor governing the important factor governing the usual pollution by toxic waste.

The issue has been lurking in the shadows since 1980, when the US passed the so-called Superfind law. It requires the US Environmental Protection Agency free market in financial services — including insurance — with a success and services — including insurance — with a yet uncertain consequences for the industry sprotage and protage and the industry sprotage and protage and the industry sprotage and th

autonomous offshoots abroad will Reinsurance Company, the US undergo "drastic realignment". with \$186.7hn of insurance premi-ln a more competitive environ-ums, accounted for 54.3 per cent

quick way for insurance companies to re-deploy their resources rapidly to meet this goal.

The proximity of 1992 is already prompting some insurance companies to reappraise the Winterthur group — heavily their resources to reappraise the Winterthur group — heavily their resources are a counterparts.

age." AIG said.

There have also been signs of And the past 18 months have

orld post-1992.

Then, on March 28, Skandia, however, the renewed price comthe biggest Swedish insurer, said to property risks. But by the end to the staking a 20 per cent equity to the stake in Vesta, the Norwegian of the year, the evidence was insurer. They have struck a deal allowing Skandia to move up to a had spilled over into casualty 50 per cent stake two years from the state of the year, the evidence was quite clear that the rate-cutting allowing Skandia to move up to a had spilled over into casualty business as well. It has signalled now. This was widely appears to the state of the property risks as well. It has signalled the state of the property risks as well. It has signalled the state of the property risks as well. business as well. It has signalled the start of another cyclical

THE COUNTDOWN HAS BEGUN.

Up and down the country, British athletes are in hard training for the Olympic Games in Seoul.

They are supported in their hopes and ambitions by the Minet Group, which entered into a £1.5m agreement in 1986 to sponsor British sportsmen and women in their preparation for the Olympics.

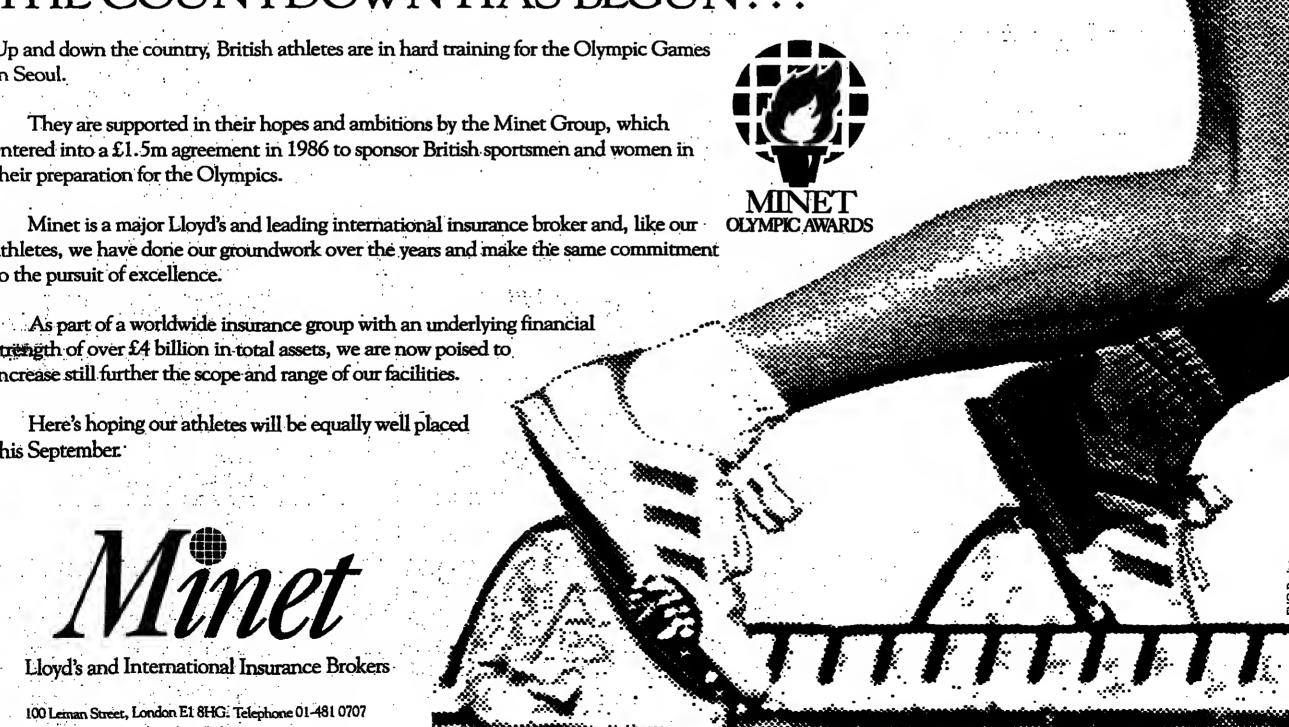
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strength of over £4 billion in total assets, we are now poised to increase still further the scope and range of our facilities.

Here's hoping our athletes will be equally well placed this September.

Lloyd's and International Insurance Brokers

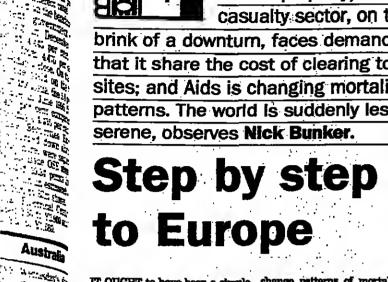
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market in Europe creates uncertainty; the US property/

casualty sector, on the serene, observes Nick Bunker.



IT OUGHT to have been a simple story. By the spring of last year, it was clear that 1987 would be the best year the world's leading insurers had seen since the late 1970s, and that 1988 could be better still.

Change patterns of mortality in the developed world has led to vigourous debate within the life assurance industry about ways of assessing, then tackling, the financial implications.

ter still.

The reality has been more complex. Profits are still rising, but

> improving results. In the US, property/casualty insurers had enjoyed nearly three years of strong premium growth, finelled by rising prices. In 1986, remarkable growth in life assurthe industry's pre-tax profits ance premiums that has characteristics.

Small players may thin out

IT HAS become just a little too the Institute of London Under-easy to be pessimistic about the writers, which represents insurprospects for London's biggest ance companies, has warned that insurance brokers — Sedgwick, the next couple of years will be-Willis Faber and C.T.Bowring, an "very difficult indeed" for marine arm of New York-based Marsh & and aviation insurers. War sto-

per cent drop on Willis's pre-tax dent record in history, with 20 profits to 550.9m and a 25 per western-built atrliners lost, but cent fall at Sedgwick, which brokers say it is happening nev-

reported £101m pre-tax.

They also helped account for this year's friendly takeover of Minet Holdings by St Paul Com-panies, the Minnesota-based insurance group. Mr Ray Pettit, Minet's chairman, said that Minet felt a need for stronger financial underpinning which St over into some areas of the rein- among some hig commercial buy-

On the debit side, there has been a combination of circumstances which have not occurred together since the early 1980s. The US dollar has been weakening steadily, hurting the brokers because the dollar is the interna-

stated, though it has to be

At the same time, price-cutting by underwriters in the US has rt the commission income of Sedgwick especially, via its impact on the group's US subsid-

begun to fall sharply in the Lloyd's-led London marine and aviation markets at miles and acquisition as a summary of management strains at higher than the large management strains at high than the large aviation markets, similarly squeezing commission revenue

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ries are rife of major airlines On the one hand, the negatives obtaining 50 per cent reductions surfaced clearly in annual results in their premiums. This tends to announced last month by Willis baffle outsiders, given that 1987 and Sedgwick, which showed a 19 had the second worst airline acci-

longer-term concerns about the and tougher attitudes by under future role of the big brokers. The last few years have seen sion rates; but this does not

The rate-cutting has spilled Rate-cutting has spilled over into some areas

surance market, too, though the ers of insurance, in both the US losses caused by last October's and the UK, about the violent losses caused by lest october 8 cyclical ups and downs in pre-hurricane kept premiums for UK cyclical ups and downs in pre-property reinsurance from falling mium rates which make it hard property reinsurance from falling during for January 1 renewals, and are likely to lead to increases

at the end of this year. One example of the pressure on pricing is that Alexander How-den, the Lloyd's broker, fought renewal season and won 58 new marine reinsurance contracts, but had to budget for static income growth from marine reinsurance because of rate reduc-

Second, there have been signs growth into the industry's international first division.

Sedgwick, for instance, felt the put in perspective.

Back then, we weren't the only ones

in insurance aiming for the top.

In the sixties; problem solving in

insurance was obviously a good.

insurance companies take their first

over some 25 years, has put CMG

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needs of companies in vitually

steps in information technology.

every area of insurance.

set on leadership.

starting point if your sights were

Back then, CMG was beloing

Today our expertise, built up

of the reinsurance market, too

for buyers to budget for their insurance costs.
If this continues, then big buyers may increasingly turn away from the conventional insurance market and seek alternative ways of managing their risks, and funding necessary provisione

If this occurs - and the trend US in 1956 – then it would leave less scope for the broker in his traditional role as a placing agent with the job of seeking simply the best price for his client from a financially secure insurer.

need last month to call in Mr David Rowland, former deputy want through a kind of golden age of profitability from the 1960s to the 1980s. It was driven by the company with a state of the control was driven by the control with the control was driven by He left Willis after nine rather factors like the explosive growth troubled months following its of the reinsurance industry from merger with Mr Rowland's for the mid-1960s, and was helped by mer company, Stewart Wrightson, the brokers' relatively modes

- which led to extensive staff requirements for capital invest defections by former Wrightson brokers.

Third, there have been some requirements for cannal investor ment. Arguably perhaps, it has perhaps had to end one day, because of fiercer competition. writers towards levels of commis

clear signs of exasperation mean that brokers are in termi-In the words of Mr Vernon Par in the words of all version rat-tridge, head of research at CL-Al-exanders Laing & Cruickshank, the securities house: "Insurance brokers will probably never again be as profitable as they were — but that's canitalism."

Second, the argument that ance will forsake the traditional insurance market is a much greater threat to underwriters opportunity to move further towards becoming expert risk consultants to service corporate

Third, the international broking sector has already slimmed down substantially, via 10 years towards risk management has of mergers and acquisitions, to already come a long way since the point where hig-cost savings the phrase was first coined in the

Willis Faber, for instance, has already £10m of cost-savings in 1988, arising from its merger with

From this point of view, the present problems for London-based brokers could be a salutary

TOUT PARLIAMENTARY SECRETARY AT THE MINISTRY OF PERSIONS AND NATIONAL INSURANCE: MRS. MARGARET THATCHER, M.P.

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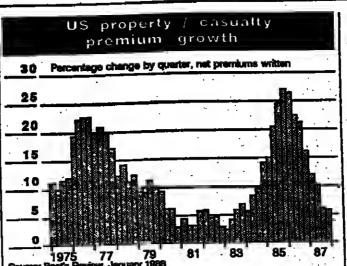
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the difference.

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quite clearly heading into one of its cyclical down-turns,

Between mid-1984 and late-1986, premiums grew strongly, driven by hig price increases charged to business customers which buy so-called But since early 1987, the rate

of premium growth has dwindled sting that insurers were competing more flercely with h other and either slacken off their price increases or making actual rate reductions. One of the most disturbing

shock forcing them to put their houses fully in order. There is, on the other hand apparently room for more rationalisation among smaller brokers in London. For instance, PWS Holdings, the Lloyd's broking group recently announced plans buy Harrington, Austin, the

aviation reinsurance intermedi-ary, and Windsor Securities made a string of acquisitions of small Lloyd's brokers in 1987. Some of the reasons for rationalisation at the smaller end of the sector were pointed out in a recent Business Ratio Report on

Insurance Brokers. "On the cost side of the equation, brokers' expenses have risen sharply and in some cases faster than broking income," it said. "The major part of these expenses has been salaries, and some London-based offices have found wages rising alarmingly.

factors here is that the rate of growth in premiums written has now probably fallen below the rate of inflation in claims

costs paid by insurers.
This graph is controversial.
When it was printed in Best's
Review in January 1988, it set

alarm bells ringing in stockbroking houses in London because it appeared to show a repetition of the rate-cutting that had led to terrible lesses

The London stock market

British insurers with the b

responded to the graph by marking down the share prices of Royal Insurance and

"The number of players in the market is likely to be reduced over the next few years as the pressure on some of the less able, smaller-sized brokers becomes

Profile: Allianz

Banking on a quick riposte

had to look so many ways at once. Yet its present vigilance does not stem from any major problems in the business, which is doing very nicely at present, nor from the threst of competitors breathing down its neck.

non-life underwriting, as a result of a rise in large industrial claims, Allianz has forecast that its net earnings this year will be similar to the DM383m of 1986. Moreover, any potential rival would have to push hard to keep up with Allianz's premium growth. Last year's first-time inclusion of DM4.8bn in premiums from Riunione Adriatica di Skcurta (RAS), the second biggest italian insurance group, in which Allianz gained a majority stake in 1987, helped to increase its total 1987 premiums to DM26.6bn against DM19.2bn in 1996.

In January, moreover, the com-

against DM19.2bn in 1986.
In January, moreover, the company laid the cornerstone for what may be a wider international co-operation in the longer term, with its agreement to represent Tokio Marine and Fire Insurance, Japan's biggest general insurer, in Italy. Though small in itself, the deal could be the first step to a network of joint representative arrangements between the two groups in Europe and the Far East.

Far East.
What then is worrying Allianz?
First — and probably least important — is the perennial question
of a US acquisition. The company has been on the prowl for a size able US insurer so long that the

move has almost become indus-But if comments last year by Mr Wolfgang Schieren, Allianz's chief executive, were anything to go by, a US buy may be a little less prominent now, despite the stock market crash and the rise in the value of the Deutsche Mark, which would make any purchase cheaper now. Instead, further expansion in Europe may

have gained priority.

At home, the key issue is no less than the future relationship between the country's insurers and banks. Last year's decision by the Aachener und Münchener (A&M), Germany's fifth biggest insurer, to buy a controlling stake in Bank für Gemeinwirt-

trade union movement may just have been coincidental, but it focused attention on the present fluidity in the financial services industry. Some divisions between banks and insurers have already been eroded, while many of those

that remain look shaky.

Above all, there is the strong likelihood that Deutsche Bank, Germany's biggest bank, will soon move further into insur-ance, either by buying an exist-ing group, or - much more likely - by developing an inter-

nal insurance.
Mr Hilmar Kopper, a member of its managing board, recently admitted the subject was being given much thought by the given much thought by the bank's top management, while Mr Alfred Herrhausen, its chief executive, last month gave an eloquent list of reasons underlying the bank's deliberations.

The decision, which would invoke life and pensions insurance in particular, has not vet

ance in particular, has not yet been taken, and will not come in the first half of this year. But if, as seems likely, the bank goes ahead, it would trigger an unprecedented upheaval in Garance transport of the seminary of man insurance.

man insurance.

For the move would go much farther than the bank's decision in late 1983 to introduce a savings plan linked to a life insurance policy, which resulted in sales of 100,000 policies — worth DM2bn — the following year. That step alone triggered suggestions thet Allianz might react by developing into banking. As it happened, the threats eventually amounted to very little, though all insurers have

tle, though all insurers have gradually been widening their range of financial services, Such reticence is less likely this time. There is little doubt that Allianz is thinking hard about banking. On an ascending scale of possible reactions to fully-fledged move by Deuts Bank are a swift transfer of considerable banking business away from the bank — where Mr Schieren is vice chairman Schieren is vice chairman of the advisory board — to a full scale banking initiative of its own.

That possibility has excited German pundits greatly of late. All is hypothetical at present — **Broking in Europe**

Open market a challenge

MAJOR EUROPEAN insurance tive is brokers are cautiously optimistic business about their growth opportunities after European trade barriers break down in 1992.

non-life insurance is passed.

Also, there could be a growth

is too early to tell how wide-

spread the growth in brokerage revenue will be. Corporate insurance buyers may opt to stick to their own national insurance their own national insurance markets, despite the trade barri-ers breaking down, which would slow down growth in brokerage revenue. Also, some local insur-ance brokers may find that they are in competition with brokers of other countries for local busi-

opening of the insurance mar-kets," said Mr Maarten J.F.Hu-dig, director in charge of internaional activities for the largest nonal activities for the largest Dutch insurance broker, Huddg-Langeveldt Group, in Botterdam. "It is a recent development for industry to use independent bro-industry to use independent brokers in Europe, so there are still

opportunities for the future.

You will see more link-ups with corporations merging across boxders; and they will need brokers, because they will think about the liabilities and call in a professional broker. It is always a lient-driven service However, Mr Hudig added: There will clearly be more

choices, but the client may choose his local companies. So, the broker must show him the

the broker must show him the choices."

"Additional business is dependent on our clients," said Mr Waither Kiep, vice president of Gradmann & Holler KG, in Munich, West Germany. "More companies will invest in European countries than in the past, [such as] in Spain and Portugal. Where they go, we will follow, in that way we will see an expansion of our business." aton of our business."
Mr Kiep added, however: "Ger-

man enterprises are conservative and some of them will hesitate to insure their risks with foreign

There is an opportunity for brokers who are in [European insurance broking] networks," manager of France's largest insurance broker, Faugere & Inthesis in Paris, But he added: "France could be considered a next month about a broad stra hunting territory for hunting sic plan as well as specifics to predators, because it is a big market and is not as united as is

At the moment, the European Parliament is reviewing a draft directive on freedom of services in non-life insurance, which was passed by the European Commission on December 18. As much as 70 to 80 per cent of all premiums currently written in EC member states could be affected by it. The draft directive allows

insurers in one EC state to cover large risks based in another EC state, as long as the insurance buyer meets three criteria: Employs 500 people now, or 250 at the start of 1993;

Ecul2.4m (£8.5m); and

An annual balance sheet total of Ecul2.4m (28.5) now or Eco6.2m (£4.25m)in 1993. Brokers believe that the direc-

Source: SIGMA, Series Reinsurance

buyers - that they have been

ing operations globally into three units, parily to take edvantage of the changes in Europe after 1992. of Europe as a world-class eco-nomic unit with substantial muscle," said Mr Philip Wroughton

chairman of Marsh & McLennan Bowring and Lloyd's broking group C.T. Bowring & Co. In Europe, 1992 offers tremendous opportunities for financial services and insurance broking exclusive correspondent brokers well placed for 1992 is the Unison

network, a group of mainly pri-vately-owned brokers which altogether employ over 15,000 people worldwide, Unison has an indigenous broker in each of the EC countries, except in Italy where member Johnson & Higgins has

Unison is US broker Johnson & Higgins, the second largest broker in the network is Willis ner, in West Germany. Other members of the network include Boels & Begault, of Belgium; R.Mees & Zoonen Assurancetien, in the Netherlands, Gras Savoye, in France; and Gil y Carvajal, in

Next month, the Unison mem-

offer, he said. Last year the members set up Unison SA in Belgium, in their first joint venture to handle engineering and consultancy projects for the members. Unison SA "could conceivably be a vehicle" for Unison expanding in Europe,

Recently, for example, Unison SA became a 25 per cent share-holder in Unison member Bonnor & Co A/S, in Deumark, Mr Seward said; although he would not say whether Unison SA would become a shareholder in the other Unison members. At Johnson & Higgins, "we are

Henera

Stacy Shapiro

Distribution of the non-communist world 's insurance premiums - 1985 Non-life Life assurance Europe \$100.5 \$344 bn \$285 bn

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They hope more business will islation.

They hope more business will islation.

At the moment, there are several major insurance broking neteral major insurance broking neterals will be able to place insurance broking neterals are several major insurance broking neterals are several major insurance broking neterals are severals in Europe who are already ance programmes across borders works in Europe who are already once the freedom of services in well placed to take advantage of Also, there could be a growth have representatives in most, if in brokerage revenue as a result not all, of the major EC country of corrections of the major EC country of corrections of the major EC country of the major EC in brokerage revenue as a result of corporate clients expanding tries. They include Britsin's sargest insurance broker, Sed surgest insurance broker, Second larges in each European country.

However, brokers agree that it is too early to tell how wide-Deutsche

sidiaries and affiliates which together totals 6,000 employees and annual brokerage revent of around \$400m. The network includes Faugere & Jutheau, in France, which is one third owned by Marsh; Gradmann & Holler, in West Germany, 15 per cent owned by Marsh; and Hudig-Langeveldt, in the Netherlands, 30 per cent owned by Marsh.

Late last year, Marsh decided to reorganise its insurance brok-

six offices.
Although the largest player

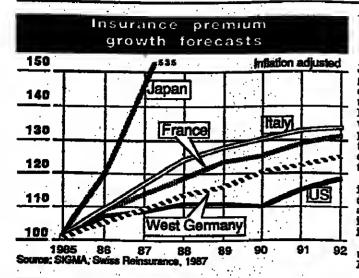
their 25th annual meeting, when the main topic of discussion will be 1992, according to Mr Ken Seward, senior vice president and director responsible for international at Johnson & Higgins, in New York. "We will be talking

Mr Seward noted.

© Generates annual revenue of At Johnson & Higgins, "we are Ecu24m (about £16.5m) or all very enthusiastic about 1992," said Mr.Seward.

International Editor,

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JAPAN SOARS, US IS SLUGGISH

JAPAN has by far the fastest growing insurance sector in the developed world, according to the Swiss Reinsurance Company. Italy and France come next; while, in the US, insurance premium volumes are expected to show only relatively singuish expension in real terms over

the next five years.
The main engine of growth
in Japan and France is the rapid
development of life assurance is also showing hig increases in non-life insurance business. Italy - still a relatively

perhaps the most intriguing Life business is expected to grow from representing 15.5 per cent of total premiums in 1985 to a peak of 18 per cent in 1988, then drop back to 16.8 per cent

Motor insurance will retain its status as the dominant branch of the Italian insurance industry, though, and will probably account for 48.7 per cent of total business in 1982

(1985: 49.1 per cent.)
The graphs and forecasts come from a recent study by SIGMA, the Swiss Re's research

In West Germany, the industry is in a state of flux

Deutsche Bank on the brink

OUTSIDERS OFTEN see the West German insurance market as one of the most heavily pro-tected, and almost certainly the most conservative, in Europe.
But a string of recent developments, notably the prospect of the European Community's planned free internal market in services in 1992, means German insurance has entered into a

The pressure is not just from Brussels, but domestic too. In particular, the long-established ground-rules between banks and insurers appear to be breaking down. A number of banks are poised to set aside today's co-operative marketing deals, whereby they sell insurance companies products from their branches on commission, and push into insur-

ance more aggressively.

The Aachener und Münchener, the country's fifth largest insur-ance group, set the ball rolling last year with its acquisition of e majority stake in Bank für Gemeinwirtschaft. Co-operation between the two has progressed. Similar products offered by both companies have been rationalised in favour of the stronger partner, while staff are being retrained, particularly at the insurer, to market joint products.

But the most important development has yet to come. Deut-sche Bank, the country's biggest bank, appears to be on the brink of moving into insurance. Mr Alfred Herrhausen, its speaksr (chief executive), emphasised last month that a decision had not yet been taken, and pleaded for the situation to be "un-dramat-

Continued from page 2

and widely denied by the partici-

pants. But among the instru-ments at Allianz's disposal are its

Allianz looks to banking

raalignmante in holdinga between insurers have been particularly prominent.

Foremoet is the plan, announced in November, of the country'e trade union bolding almost as active ahroad, again to sail a mointrease of the country's trade union bolding almost as active ahroad, again and the stakes in big industrial groups — encouraging the business to come their way — or are so entrenched that few expect existing relationships to shift.

But what will affect German insurers is the European Come.

country's trade union bolding company to sell a majority stake to Volkshirsorge, the sixth larg-est insurance group, with annual premiums of DM4.3hn, to Deut-sche Genossenschaftsbank (DG Bank) — the umbrelia for the country's co-operative banking movement. The decision followed the breakdown of talks with Germany's savings banks.

DG Bank and the co-operative ance operation. Together, R+V appears increasingly interested

almost as active ahroad, again with 1992 no doubt in mind. Most moves have been in re-insurance, however, with Aschener Rück-versicherung buying the Groupe-ment Française d'Assurances late last year, and, most important, Münchener Rückversicherung

(Munich Re) making a rare for-eign purchase with its acquisi-tion of Neue Rueck in Geneva. There have also been some movement already own a major new developments on the product ity in the R+V's general insur-side. In particular, the public

With 1992 in the background, realignments in holdings between insurers have been prominent

Profile: **Equitable Life**

A venerable niche player

with some DM7.5bn in premium

However, negotiations over the sale are going very slowly, amid suggestions that the trade unions are dragging their feet. Why is unclear. Hagging over the price is one factor. DG is thought to have offered DML6bn for 50 per cent plus one share. But there are also hints of concern among the unions about the potential conflict between a sale to DG Bank and their continuing minority stake in BfG.

Realignment was also evident with the sale in July by A&M of its 37.2 per cent stake in Nordised. But if an initiative comes, as seems highly likely, it will land's second biggest insurer, notably that between Allianz.

Europe's biggest insurer, and the egy of concentrating on insureegy of concentrating on incur-ance through its own operations The cosy world of German rather than cross-holdings.

That may be a model for the insurance, with its cross share. That may be a model for the holdings and traditional under industry as a whole in time.

investment banking and capital markets.
The two banks are highly com-

and Volksfürsorge will give DG in fund-linked life assurance poli-Bank control over Germany's sec-cles. Nürnberg Leben has seen an ond largest insurer after Allianz, enormous growth in this field, with its investment holding ris-ing by 164 per cent to DML 50n in

> Similarly, the German operation of Equity & Law, the UK group now owned by France's Compagnie dn Midi, has just launched its highly enterprising Variable investment Policy (VIP).

VIP, which is based on three ands - of shares, bonds, or an funds — of shares, bonds, or an international mixture — allows the customer to choose between maximum income, capital gain or insurance cover, and to change their wishes during the course of their policies. Such flexibility is common in the UK but almost revolutionary in Germany, and the common is expecting strong the company is expecting strong demand. European Connaunity regula Hold

an impact in Germany. However, realignment were to come about, December's ruling allowing com-iew would expect them to broadselves and with other members of had only one large branch in Gertaire across national houndaries is talk of change, this is still the across national houndaries is talk of change, this is still the across national houndaries is talk of change, this is still the expensive, foothold in Germany.

With 1992 in the background, end of last year, when Victoria Major insurers either have size.

insurers is the European Com-mission's Seventh Directive, on consolidation and equity account ing of subsidiaries, which is now gradually being applied; and its Fourth Directive, on the disclo-sure of holdings and on fair mar-

ket values, which has been agreed in principle. The latter, in particular, will affect the Germans in view of their current market practice of valuing equity holdings at their lowest historical levels. That has prompted leading insurers to value their buge stakes in indus-try and in each other at risible

Moreover, the change will illus trate more clearly than ever the role of German insurance stocks as proxies for the whole market, according to Mr Bob Gullett, of stockbroker Fox-Pitt, Kelton. But it will also focus even greater attention on the poor yield per-formance of German insurance

Among all this change, ever revious unmentionables like the long-rumoured split between Allianz and the Munich Re. which jointly own Allians Leben are being given greater credence. The suggestion that Allianz will sell its holding in Victoria Leben in return for Munich Re's ceding its stake in Allianz Laben, and that the two giants will then go their own ways, is nothing new. But some observers think there is more to it now - not least because of the substantial reinthe Allianz group by Allianz

Roth Allianz and the Munich tory and accounting developments are also beginning to have Be deny the talk. But, even if the realignment were to come about

to decide on its strategy to face claim that opening up the market the EC'e liberalised market as of may endanger consumer protection, as smaller business clients,

Much has been written, some in particular, will not be able to wrongly, about the vulnerability compare conditions. Thus the of the lucrative German market cheapest (read foreign) policy.

of the lucrative German market to penetration by foreign — notably UK — insurers. Germans are highly insured, but pay far too much for their policies due to over-regulation and insufficient competition, the argument runs.

Mr Detlev Bremkamp, managing director of Allianz Europe, minm income now accounts for the holding company for all the group's European submidiaries shows that much has already outside Germany, is quick to dispense of the standard points. Ha repeats the domestic

UK non-life insurance

Motors take a direct route

has become a testing-ground for experimentation on the market-

ing of non-life insurance.

This is happening against a background of greatly improved trading conditions for motor underwriters, who saw in 1987 their first real recovery in profitability since 1983-4.

The outlook for 1988 is, to say

of premium rate increases averaging about 19 per cent in 1987 and 18 per cent in 1986 and Mr Bird expects that, even in 1989, they will average 10 per cent. In addition, there has been either a slackening in the rate of increase of claims frequency, or a genuine decline.

At Ragle Star, for instance, claims frequency dropped mar-ginally from 24 per cent in 1986 to 23.77 per cent last year. "Most insurers' claims frequency for 1987 would be down, if you exclude increases in windscreen claims," says Mr Terry Dennett, Eagle Star'e motor manager.

Many insurers are likely this summer to try to deal with the mounting incidence of claims. arising from broken glass by introducing compulsory £25

deductibles on windscreen and window damage claims. For established insurers, few years of a new breed of "direct writers" - companies which sell straight to the public.

Bank of Scotland's Croydon-based Direct Line, and The Insur-ance Service, which wes launched in January by Royal Insurance. They are poised to compete vigorously with traditional insurance companies that sell via brokers.

In one sense, of course, direct the least, encouraging," says Mr motor insurance polices were steven Bird, insurance analyst with Smith New Court. writing is old hat. Since the first Steven Bird, insurance analyst
with Smith New Court.

There have been several years
of premium rate increases – inveraging about 19 per cent in 1986 – per cent in 1986 – grand 18 per cent in 1986 – surface written in the early 1900s, motor-ists have been able to go straight to the insurer to buy cover. "An astonishingly high number still do so," says Mr Bill Science, group per cent in 1986 – surface pointers were in the early 1900s, motor-ists have been able to go straight to the insurer to buy cover. "An astonishingly high number still do so," says Mr Bill Science, group per cent in 1986 – surface pointers were provided by the series of Sun Alliance. Current best esti-mates are that in spite of the growth of the big totermediaries – primarily the AA and Swinton – only about 50 per cent of the market is brokered.

Furthermore, the composites themeelves have launched e range of direct marketing initia-tives over the last decade. Sun Alliance, for instance, started doing so in the mid-1970s, using media advertising and direct mail; and its "50+" motorists' package is now well entrenched

in the market.
But there are significantly new aspects to the epproach adopted by the new direct writers. Apart from saving money by cutting out brokers' commis-sions, the insurance Service, for

instance, also aims to keep police though, the arrival in the last expenses low by avoiding the few years of a new breed of costs of maintaining e distribuvia media advertising and tele-phone sales staff, cutting out the price with established insurers, ance Services - the UK's biggest middlemen - is complicating according to Mr Richard Hill, its motor broker - finds it is in con-

is to save 80 per cent of eligible motorists et least £10 per annum. In theory, The insurance Service's cost savings should be substantial. It canvesses for custom-stantial. It canvesses for custom-stantial. ers via newspaper and television advertlaing, and deals with motorists nationwide over the telephone from a single floor of an office block in Bristol. At present it has at craff including 20. ent it has 80 staff, including 30 Insurance Service does not dis-

so-called "insurance advisers" who man the telephones, and issue quotations via a computer leagues must have spent about system which autometically \$469,500 on television advertising rejects unsuitable risks. Mr Hill in just the first six weeks of this says the closest comparable computerised direct writing service is at Philadelphia-hased Colonial sive.

wice to function with e relatively far they appear to be making small accounts department. eteady encroachments at the small accounts department.
So far, its executives appear

QUIETLY, WITH little attention this optimistic picture. The bestfrom the outside world, Britain's known examples of the new is to save 80 per cent of eligible policybolders in any one year private motor insurance industry direct writers are The Royal motorists et least £10 per annum.

close its outlay, but one rival believes that Mr Hill and his col-

Neither point is totally conclut Philadelphia-based Colonial sive, but the close attention with tenn Group, in the US.

One area of edditional cost-sav-kers are watching both Direct one area of edutional cost-save lets are watching both British ing which has emerged is that Line and The Insurance Service more than 40 per cent of policy-suggests that they fear that the holders pay their premiums by new direct writers may prove to credit card over the telephone, be an important force. It is hard which speeds up cash flow and to say just how important, but should enable The Insurance Service on the evidence available so margin.

pleased with its success. By late Yet the direct writers are not Merch, after three months in the only factor that could alter Vet the direct writers are not business, they had 5,000 policy the industry's marketing pat-holders and had already handled terms. The other is the impact of 70 claims.

There are sceptics, nevertheless. First, they think the new direct writers have underestimated the administrative burden insurers. At the moment, electronic data interchange networks. they will face from claims han-tronic data interchange network-dling and from servicing existing ing between brokers and underwriters is etill in its embryonic Mr Peter Ablett, the Automo-stages - via incipient networks bile Association's general insur-such as BROKERNET - hut it tion network of branches and ance marketing manager, points could prove to be the biggest inspectors. These savings will out that in addition to sending non-life insurance marketing

Nick Bunker



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pants. But among the instruments at Allianz's disposal are its roughly 23 per cent in the Munich-basad Beyarischa Hypotheken und Wechsel-bank, Germany's sixth biggest bank and one of the country's most profitable and best run.

Probably the jewel in a number of other bank holdings is Allianz's smaller share in Berilmer Handels und Frankfurter Bank (BHF Bank) a highly-re-

tion for their products. For several years, the financial services industry has been consolidating under the joint impact of some deregulation and a marked intensification

of commercial pressures.

There has been, in fact, a "Savings War" — a phrase which served in 1986 as the title for a study", by analysts at Banque Paribas Capital Markets, of the growing competition for the British people's savings. Next week, on April 29, a fresh

element enters the equation when the Financial Services Act comes fully into force, creating a new framework of investor protection. Arguably, it will alter radically the terrain on which the savings war is fought out. Even without the Act, financial institutions whose marketing and distribution systems centre on a tied sales force would be in an extremely strong position. This would include most obviously the unit-linked life offices, such as Allied Dunbar, Abbey

Their ability to send agents into customers' homes at their convenience is of absolutely paramount importance, when compared with 'passive" networks of high-street The Financial Services Act is about to change the nature of the savings war

Capital and mobility will tip the balance

shop premises. Certainly, it will be necessary to improve the calibre of those sales forces, and a number of companies are believed to have been spending considerable resources on

In contrast, there has for some time been room for concern about the future position of independent intermediaries, such as small high-street insurance brokers. Now - superimposed on these seething commercial we have the Financial Services Act.

It is already radically altering the business relationships between the building societies, banks and life assurance companies, principally because, under the Act, all intermediaries must choose either to be fully independent or to become tied repre-sentatives of a single institution. The background to an understand-

ing of its impact on the market is that 1984-5 saw a huge boom in the sale of endowment mortgages, in which repayment of the loan is made out of the proceeds of a life assurance policy. This was followed by a second, even greater boom in 1986-87. Four years ago, only 20 per cent of new mortgages were on an endow-ment basis. Now, the figure is 80 per cent — four-fifths of a £35bn market worth £35bn annually. This has led inevitably to a drastic switch in life companies' new busi-

ness volumes, away from more traditional life and pensions and towards endowment mortgages. This has focused life companies' attention on the mortgage market as the principal major source of new business, a trend encouraged by the continued expan-sion in the owner-occupier market as funds have become more readily

These developments have encour-

aged life companies to make arrangements to offer mortgage finance in their own right, either as principals or, more usually, as agents through their own distribution system. At the same time, the banks and building societies have been keen to work with the life companies in this respect as an additional marketing method. Above all, they have been aggressively promoting endowment mortgages so that they can capture the exploding commission income – all the more important as their traditional margins came under pressure. Thus, in our view, there has been a

spinning circle of activity set up in

the mortgage market, which has

focused the strategic planning inten-tions of all the interested parties on securing their distribution systems. The most visible symptom has been a rush into the estate agency field. This was started by Lloyds Bank, but the running has been taken up by the insurance companies in the past two years. The Prudential is currently eading the pack at 800 branches, followed by the Royal at 650.

The jury is still out, however, on the efficacy of estate agencies as a means of selling financial services. It usually comes down to a matter of the competence with which these operations are managed. In our view, many of these com-mercial competitive tensions have

been greatly aggravated in recent Financial Services Act, by the stock market crash of last October, by the deteriorating sovereign risk debt situ-ation for the clearing banks, and most recently by the fiscal changes in the Government's 1988 Budget.

First, the Act is clearly having a dramatic impact on both distribution systems. It is weighting the scales heavily in favour of sales forces or

high-street bank and building society branches and against insurance bro-

diaries - partly because the latter have to bear heavy costs of compli-ance. But it is also favouring the major established life offices, by making it more expensive and onerous to set up small new life offices, and more difficult for them to expand.

indeed, the life assurance business is in danger of ossifying round the major six or eight strong life offices in a few years time — an ironic prospect, in view of the Government's original goal or promoting consumer choice and competition. Second, the stock market crash has

had a great impact on the savings In the past six months, unit trust sales figures have been abyamal compared with buoyant building society receipts. This demonstrates the damage done to the "cult of the equity":

consumer confidence in ordinary shares will continue to crode unless the stock markets recover dramatic In turn, the 1988 Budget must have

rate tax payers give to high-yielding bonds, and building society and bank deposits, which have previously been eschewed in favour of lightly-taxed capital gains on equities. And this new thinking is likely also to affect unit-linked and other life company savings policies, which were aggressively marketed during the 10-year bull market but will now look too risky to many private investors.

Third, life companies are experiencing growing pressure on bonus rates. These were increased to reflect gilt market returns available when interest rates went through the roof m the early 1980s. Yet, at the same time, life companies were having to find the capital to underpin a huge increase in new business, and to fund diversification into estate agencies and support distribution systems.

All life offices were able to meet

these strains so long as the equity market continued to boom and to provide the massive capital appreciation shown in 1984-86 in particular. But the equity market collapse last October has removed that cushion and brought severe strains to many life companies, only some of which have surfaced to date to the form of bonus reductions.

Meanwhile, in our view, the sovereign risk debt crisis has deteriorated in recent months, eroding many banks' reserves, while the stock market crash has made it far more difficult and expensive to raise new equity capital.

At the same time, we believe the increased interest of building societies in becoming quoted companies reflects the scale of capital pressures to which they are subject, as, like the banks, they embark on major compu-terisation and branch refurbishment

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a lane

programmes, and diversification. In conclusion, capital pressures have intensified for all the players, and have been aggravated by the stock market collapse; and in our view the success of the various distribution systems - whether direct sales forces, estate agencies or net-works of independent intermediaries - will depend crucially on how they

are managed.
But there is room for anxiety to any case at the way banks, insurance companies and building societies are concentrating so heavily on personal financial services. For they are doing so at a point when the perpetuation of the UK's economic boom in general - and the consumer boom in particular - must increasingly be in doubt against a background of international recession, and the overheating of the economy in the UK. John Ginariis

Financial Services Analyst, Financial Services Analyst,
Bunque Parihas Capital Markets
*The Savings War, by John Ginarlis:
published in April 1988 in a single
revised volume with a new introduction, by Kluwer Financial Publications; Banque Paribas CM.

Lloyd's is 300: Nick Bunker offers his personal diagnosis of current problems

Time to reduce exposure to the US

"The long nightmare is over" — Mr Peter Miller, former chairman of Lloyd's, speaking last year about the PCW Affair

"There'll aboays be an England. Will there always be a Lloyd's?" Mr Miller again, at the first Lloyd's 2000 conference, May 28

They had to clear up the mess left by the Alexander Howden and PCW scandals, in which many millions of pounds were to put in place the new regulatory system outlined in the 1982

Now - as Lloyd's celebrates its tercentenary - other questions have been coming to the fore. The long nightmare of PCW may, indeed, be over. Lloyd's has also moved fast in implementing ther regulatory reform contained in last January's Neill report.

Three problems stand out, and they are closely interconnected.

First, there continues to be ample evidence of the dangers to Lloyd's in over-reliance on the North American non-marine market. Setting the Hartford Insurance win more "mass market" business (the Hartford Insurance win more "mass market" business

long-term decline.

The reasons for the US indusproblems in any event.

ahead if Lloyd's is to ensure that in the pest nine months of claims relatively stagnant marine insurit enjoys a healthy commercial notified to Lloyd's syndicates ance business – has been recogniture in the 21st century.

The pest nine months of claims relatively stagnant marine insuring the stagnant mari

North American non-marine mar-ket as a source of business (the toxic waste sites have to be scale commercial insurance. A SEA-CHANGE occurred to the US accounted for about 55 per cleaned up for \$50m each, then affairs of Lloyd's in 1987, but its cent of the Lloyd's estimated the total bill will be \$125bn.

This issue is very vexed. Insurbecoming clear to the autoids.

becoming clear to the outside world.

Lloyd's has emerged in the Lloyd's has emerged in the past 12 months from five years of crisis management. During those years, the market's anthorities were preoccupied with two tasks.

Lloyd's has emerged in the large extent, pins its fortunes on a market whose average undergraining those writing profitability appears to be locked into a gradual underwriters' and brokers' many have been a key reason why, agement time, could be major since the 1960s, Lloyd's has

try's problems are complex. They A further worrying develop-stem from factors such as ment - because it demonstra- It helps explain the efforts to chronic excesses of capacity, testhe hostile political environstolen from ordinary members of which cause undisciplined price ment for insurers in the US - Market Network, an IBM-sup-the Lloyd's market. And they had competition. There is also an came in March. Eight states, plied electronic data interchange uncertain legal environment, including California, launched a system intended to accelerate characterised by a trend towards huge anti-trust suit against four communication between the 500 rapid inflation in damages major US primary insurers and a Lloyd's brokers and underwriting awards which have to be met by range of Lloyd's underwriting agents and London's insurance

But this runs up against the second major problem at Lloyd's - the relatively cumbersome

steadily lost its share of the UK develop the London Insurance Market Network, an IBM-sup-

But there is a third problem, raised this spring to protests by underwriters, including Mr Step-hen Merrett, about proposals for new regulations governing Lloyd's brokers.

On the one hand, there has been a process of creeping dere-gulation, in which Lloyd's has insurance companies owning Lloyd's brokers. This process culminated in February when Lloyd's gave the go-shead for the St Paul Companies to acquire Minet Holdings. On the other, there is still a strict rule against Lloyd's underwriters, other than motor syndicates, dealing direct with sources of business other

There have been attempts to find ways of closing the gap that this can introduce between underwriters and the outside communication between the 500 world — such as Mr Merrett's Lloyd's brokers and underwriting establishment this year of a new agents and London's insurance Birmingham-based syndicate, awards which have to be met by insurance awards which have to be met by insurance insurers, and a tendency among some state regulators to treat property/casualty insurance as a surrogate social security system.

The danger to Lloyd's of being too heavily dependent on this volatile market was graphically illustrated by developments in 1967-8.

Tange of Lloyd's underwriting agents and London's insurance company market.

More than 50 Lloyd's agents insurance rand brokers are now either using the network or have signed to expect that, as underwriters the network or have signed to expect that, as underwriters of intent to join. If they all become users, then 80 per cent of transactions passing through the market's back office — the Lloyd's market's back office — the Lloyd's Policy Signing Office 7

professional people.

means we have to have a very big product range," says Mr Sher-lock. In fact, the Equitable now

executives who is not an actuary. The Equitable has not stood still in the last few years. In

A venerable niche player

Continued from page 3
full-time professional intermediaties, so it uses a 279-strong force of representatives. They are remarkably effective. In 1987, they sold new business worth 256-9m in premiums, or 539,000 per head. Some 3,750 self-employed selesemen represent Allied Dunbar, the most successful unit-linked life company, but they produced only an average of \$213,670 each.

The Routable's high productive sales and administrative costs swallowed up only an average of \$20,267 per cent of premiums. By contrast, at Standard Life, the UK's biggest mutual, the expense sales and administrative costs swallowed up only an average of \$20,267 per cent of premiums. By contrast, at Standard Life, the UK's biggest mutual, the expense ratio including brokers' commissions averaged 15.5 per cent.

In effect, the Equitable has produced organization of something of a crisis. In reflect, the Equitable has produced probably the UK's most efficient system for marketing life assurance.

It was not always quite life that. Untill the 1950s, the Equitable could instructed scheme, own self-administrated scheme, of communicating with a store capable of communicating with a store capable of communicating with a store capable of communicating with a store and pensions lectart their own self-administrated scheme, capable of communicating with a store capable of communicating with a store and pensions lectart their own self-administrated scheme, capable of communicating with a store approach and pensions lectared the communicating with a store approach and pensions lectared the communicating with a store and pensions legislation. After own self-administrated scheme, capable of communicating with a store and pensions legislation. After own self-administrated scheme, capable of communicating with a store and pensions legislation. After own self-administrated scheme, capable of communicating with a store and pensions legislation. After own self-administrated scheme, capable of communicating with a store and pensions legislation. After own sel

One totriguing measure of its success is that to 1987 it lost only

stantial policyholders, such as

The sales force, however, is only half the story. To maintain its reputation, the Equitable believes it must ensure that its representatives never sell their customers a contract unsuitable to their individual needs. "That

Product design requires a blend of actuarial and marketing skills: it is not surprising then that the Equitable is perhaps more heavily dominated by actu-aries than any other life com-pany. Mr Kinnis is the only one of the society's six most senior

still in the last few years. In 1985-6, it subjected itself to a detailed study by McKinsey, the management consultants. This produced, for instance, a new set of planning goals, including a target of more than doubling new business from £137m in 1985 to £300m in 1991. The "Old Equitable" is already nearly there.

Towards

Continued from page 1

ers - meaning US manufactu ing industry. Insurers soon real-ised that US manufacturers would try to make them pick up

In the first place, the EPA's clean-up efforts have gathered pace in the 18 months since the Superfund programme was renewed by Congress in 1986. And the second half of 1987 saw an acceleration in the rate at which policyholders were films

statted huge lawsuits against their insurers.
Possibly for years to come, the problem will remain clouded by legal uncertainty. But, says Mr Maurice Greenberg, AlG's chairman, pollution liability is now 'probably the largest issue the industry will confront over the next decade."

A pointer from Zurich

FOR DECADES life assurance actuaries and underwriters on both sides of the Atlantic have operated under conditions of improving mortality.

Increase their rates, the general tougher over payment of early death claims. Whereas, previously, death claims within two outly, death claims within two ones of a policy's being taken improving mortality.

Now that Zurich Life Assurance increase their rates, the general tougher over payment of early death claims. Whereas, previously, death claims within two outly, death claims within two ones of a policy's being taken outlined to the province of the Atlantic have a previously tougher over payment of early death claims.

US by the year 2000 if infection continues at the present rate, and as many as 80,000 in 1998 in the

Life companies can do nothing about Aids claims from their existing portfolios but meet the cost out of their reserves. But measures are now being taken to deal with new applications for life assurance,

life companies were given early warning by the US experience and could take appropriate mea-sures. These fall into three cate-at most lower levels of cover is goties: premium rating, under-now standard practice in the US

Actuaries are based on some very tentative assumptions.

Nevertheless, premium rates, particularly for protection contracts, need to be increased to cover this higher mortality.

To date, UK life company actuaries have been reluctant to death risk they carry, passing on as much as possible to the life reassurers. Not surprisingly, it is the reassurers that are taking the lead in tightening up underwriting procedures.

Then there are indications that life companies are being much

to shake the US life assurance industry with a space of death claims within a short space of time and with the potential for life underwriters are finding the situation rather uncomfortable.

So far, in the UK, the number of Aids-related death claims experienced by life companies has been small — well within the limination of the companies would expect.

replies without a detailed medical examination. The position is not helped by the attitude taken by the British

Medical Association regarding

life companies seeking medical information from applicants. In most cases underwriters will require HIV blood tests to order Since the progress of the dis-ease; in the US; is further accept the risk. The Association advanced than in the UK, the UK of British Insurers has recomnded automatic blood tests on all males for sums assured of It has long been accepted that But the BMA insists that any

Finally, life companies are there is no impact yet on bonus seeking to limit the amount of cath risk they carry, passing on as much as possible to the life reassurers. Not surprisingly, it is the reassurers that are taking the lead in increase the mortal-risk they carry and are the life to impression is that UK

lead in tightening up underwrit-ing procedures.

Then there are indications that

In the UK, in particular, more and more attention has been paid to the savings element, with underwriting becoming progressively less significant.

Then came Aids (Acquired Immune Deficiency Syndrome), to shake the US life assurance Aids has seen the life under industry with a smale of death with a state of death and to the paid with little investigation, claim managers are now prepared to seek further information if there appear to be doubts about the validity of answers to questions on the property with a smale of death with little investigation, claim managers information if there appear to be doubts about the validity of answers to questions on the property with a smale of death with little investigation, claim managers information if there appear to be doubts about the validity of answers to questions on the property with a smale of death with little investigation, claim managers are now prepared to seek further information if there appear to be doubts about the validity of answers to questions on the property of the paid with little investigation, claim managers are now prepared to seek further information if there appear to be doubts about the validity of answers to questions on the property of the paid with little investigation, claim managers are now prepared to seek further information if there appear to be doubts about the validity of answers to questions on the property of the paid with little investigation, claim managers are now prepared to seek further information if there appear to be doubts about the validity of answers to questions on the property of the paid with little investigation.

Research by both US and UB actuaries into the potential numbers of Alds deaths over the next decade shows some frightening decade shows a dec companies, expect life company actuaries to start reviewing the situation now,

The Government Actuary's Department, as actuarial adviser to the Department of Trade and Industry, has informed life com-pany actuaries that it expects them to make a specific reserve against future Alds deaths in their 1987 valuations.

Those life companies that have reported on their 1987 results show that actuaries are taking a rather relaxed view, using the least pessimistic mortality assumption made by the Insti-

Generally, the reserves being life companies cannot eliminate a particular mortality risk by underwriting, and this is certainly so with Aids. The mortality rates will be higher, though the projections made by the Aids working party of the Institute of Actuaries are based on some very teniative assumptions.

But the BMA insists that any life companies are covered severally, the reserves being can of liabilities on average, and are covered several times over by the investment reserves being carried by companies. Certainly there is no impact yet on bonus seeking to limit the amount of actuaries are based on some very death risk they carry, passing on unit-linked companies deemed it necessary to increase the mortal-

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Europe

The insurance industry's fears have grown much stronger lately, to spite of the fact that recent legal decisions have been running in its favour.

which policyholders were filing legal complaints demanding indemnification for toxic waste clean-up costs. In particular, both Westinghousa Electric and United Technologies Corporation started huge lawsuits against

Financial Times Friday April 22 1988

SECTIONIV

FINANCIAL TIMES



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Group

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Development has been driven further and further outwards from London, and economic activity is strong in

south Wales, Bristol, Swindon, Reading and Slough. But the very health of the market has produced its own problems, reports property correspondent, Paul Cheeseright

Fast lane development

and the market scarcesy numbed.

Impervious to the sensitivities of the central London market, the corridor has drawn its strength rather from the growth of the national economy.

The drive of development has moved further and further outputs from London The residual to push expansion outputs the contract of the cont

wards from London. The revival of economic activity in southern Wales, the buoyancy of Bristol and its consolidation as a major regional centre, the expansion of Swindon, the growing interest in Reading, the dynamism of the

het has produced its own prob-lems. First, the pressure for shortage of affordable housing development clashes with the underlying attractions of having construction of new business the development there in the first

behind the market are equally applicable to other areas, to other applicable to other areas, to other same time want to retard never-motorway corridors, so that the opment, The local authorities and locational choice available to companies is widening.

Consistently development has thrust out of west Loudon. The agreeable nature of the country.

They argue that enough is

IT IS HIGH summer for the property market along the M4 corriaccess to Heathrow Airport, the dor. The stock market crash of speedy rail links to London, plus last October has been and gone the fact that Berkshire had been and the market scarcely blinked. wards from existing communi-ties. As the economic growth con-

lace. While the Government no lon-Second, the economic factors ger sees Berkshire as an area of expansion, it does not at the same time want to retard devel-

tinued, so the demand for housing increased. The stage has now been reached along the eastern reaches of the corridor where Thames Valley economy, the there is resistance to further demand for space in Slough and development. This has reached around Heathrow — all have contributed to the pattern of momentum about housing provisions for But the very health of the mar-into the whole question of eco-

E per aq ft 20 Roading 16 Epersoft 10 - Cardiff Bristoi Swindon 0 1986 1986 1988 WALES GREATER LONDON Bristol **ENGLAND**

Property along the M4

county.

The implication of this is that the implication of this is that the property holders already on the ground with projects devel-oped or with planning permis-sion, are in e stronger financial position than likely newcomers to the area. Barity value would tend to nuch the results both tend to push up rents, both, accentuating the rising trend which is characteristic of the narket and justifying the higher

own internal economy indepentiat the growing congestion at dent of London, it is not a mam-the London end of the motorway moth inconvenience to move a is pushing development west-little further westwards in the wards. There is, indeed, the knowledge that accommodation costs are likely to reduce any-

Once away from the Reading area, the problems of the Green Belt and Areas of Outstanding Natural Beauty diminish. Hence the major housing developments, for example, outside Swindon and at Bradley Stoke outside Bristol.

enough, that housing additional street and around Bristol; and the to that already envisaged in interest in sites on the Welsh side structure plans will destroy the of the Severn Bridge, where there is the extra inducement of aid from the Welsh Development

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Agency.

Many of the developments to the west are taking place outside the towns, notwithstanding Tarmac's plans for the redevelop-ment of the old railway engineer-ing works in Swindon or the Norwich Union shopping plans in the same town or those of Lad-broke in Bristol.

The difficulty in Bristol is that

In and prices.

The flaw in this reasoning is that prospective tenants do not at Cannons Marsh for Lloyds have to go to Berkshire. While it is true that some of the company ply not enough space, given the movements in, for example, the speed at which the economy is Thames Valley, are consolidations and that the area has its that the general point though is the company in the speed of the company is growing.

merging of two ripple effects: London is pressing outwards and the towns down the corridor are pressing outwards too.
This raises the question of loca-

tional choice for companies either already outside or wishing to be outside the London area, the main concentration of eco-Bristol.

This is not simply a question of London on the other.

Hence the rapid expansion of moving further westwards; it is

This would suggest that if curbusiness parks in the Swindon also a question of choosing rent trends continue, the doubt-

position of the M4.

The economic growth which has stimulated development along the M4 has also been an impetus for development along the M3, through Surrey, leading to the M3, through Surrey, leading to the M3, through Surrey, leading to the M3 through Surrey leading to the M3 through Surrey leading to the M3 through Surrey, leading to the M3

At the same time, the start on construction of the Channel Tun-nel has drawn attention to east Kent, while the rehabilitation of London Docklands has begun to create a new focus of develop-

Many of the pressures which have been present on the MB-M27 have been precisely the same as those on the M4. But the ability to find accommodation on the to find accommodation on the other motorway corridors, generally at lower prices than those of the M4 without any marked loss of facilities, has started to redress the balance of attraction between the west on the one hand and the north cost and continues sides. nomic activity in the South East. north, east and south-east sides

The financial institutions have tended to be London-centred in their investments and when they have moved out of the area to have been more comfortable in the South East. This has meant

were tending to re-appraise the has seen a proliferal property market as returns parks — can also be increased. The latest figures have straight office users. suggested that the insurance companies and pension funds have begon to return to the mar-ket.
The M4 corridor is a natural

another corridor or a different focus of growth.

The expansion of the motorway emanating from London by the M25 orbital have changed the competitive position of the M4.

The economic growth which has stimulated development to favoured South East location for demand, high-quality covenants, they appear in demand, high-quality covenants, pressure for growth and the scope to upgrade property.

The most emphatic single impetus to upgrading has come quick enough to allow the expansion of property development to be absorbed without much difficulty with the retail sector. The M6 corridor one of the motorway emanating from London by the M25 orbital have changed the competitive position of the M4.

The economic growth which has stimulated development to be absorbed without much difficulty with the retail sector. The M6 corridor one of the motorway in the motorway emanating from the change in the Use Classes order which stripped away the difficulty with the retail sector. The M6 corridor one of the motorway is an economic downturn. Hith-motor emphasion of the motorways emanating from London by the M25 orbital have changed the competitive position of the M4.

Siough

mixture of industrial and research and development. This is not only a fillip to the owners but is also e comfort to the institutions in their desire for secure investment.

It means there is greater ability that some of their funding and to switch appeal from one sort of development has gone down the tenant to another, depending on development has gone down the tenant to another, depending on M4 corridor. More might now be expected.

The October stock market largely for high technology companies came when the institutions panies — and the M4, after all, has seen a proliferation of such that the parket of the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the market is moving. It means that the parks created the means that the market is moving the market in the market is moving the market of the market in the market is moving the market in the market is moving the market in the market is moving the market in the market in the market is moving the market in the market in the market is moving the market in parks - can also be marketed to By widening the uses of exist

ing and new property, there is a larger element of safety for the institutional investment. While the institutions have in

park investments, they appear to have had few qualms about the retail sector. The M4 corridor, one of the most prosperous in the country, has been a natural tar-get for their funding.

The difficulty with the retail

sector now is not so much the funding for it, nor even the level of trading, but the clash which has been developing, most obviously around the M4-M25 connections. about the construction of major new complexes outside the tradi-tional urban centres.

Planners in this corridor of prosperity bave just the same trouble in coming to terms with threats to the established shop-ping fabric as they do in Man-chester or East London.

To some extent this is the rip-

ple effect, which has affected other forms of commercial prop-erty, in play all over again. As the urban areas themselves have expanded, so the retail developers have sought to go with them The issue has become the more complicated by the existence of the Green Belt, a factor which has caused great dispute about the shopping proposals et the London end of the M4. And this brings the M4 property issue back full circle to the basic ques-

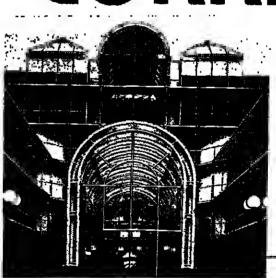
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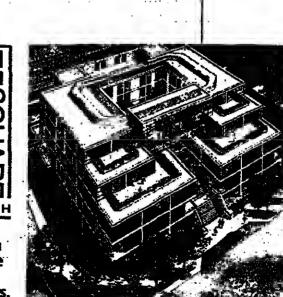
Kembrey Park, Swindon Centre for business

Suites are available now from 3,000 sq ft to 30,000 sq ft for office use; data processing; light assembly and research and development on flexible leasing terms from 3 years. In addition around seven acres of land is available for 'design and build' schemes tailored to tenants' requirements. Kembrey Park, one of the leading business parks in the UK - the only one to receive the Civic Trust Award in 1987 for its outstanding landscaping.

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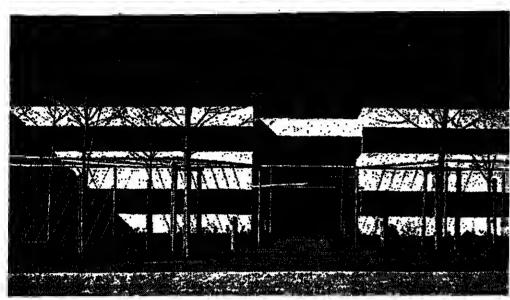


Due for completion in Autumn 1988 and one of the few in the region offering prime quality high profile office headquarters, the new 60,000 sq ft four storey building with 206 car parking spaces is available for letting through Jones Lang Wootton. Please contact Paul Yearley on 01-493 6040.



Sun Alliance developing for the future





Top: Slough Estates' Winnersh Triangle. Bottom: the Cherry Orchard West building on Sun Allia

Business parks

High tech flourishes in the open spaces

and, if there is one area which more than any other was responsible for putting them there, it is

This is not wholly surprising. The corridor itself had already become an established area for high technology companies, espe-cially in the Thames Valley, and imported from the US, was first associated with just such compa-

What has happened in recent years, however, is not only an speed of development is running is the possibility of compensating a time when they have been expansion of the use of what have been known as high tech buildings, but also a broadening of the area in which they are

of car parking – are grouped together, they have become known as business parks.

reflects the general growth in economic activity exemplified by the presence of Japanese compa-nies in parks at both ends of the corridor, both near Heathrow and

letting activity, running along the motorway past Reading, Newbury, Swindon and Bristol, has been strong as companies have seized on the availability of prem-ises and the relative ease of com-

ahead of demand, but as a symp tom of the present situation, for office use. This opens up new erty investment — an interest campbell Gordon, the Reading markets, because it means that chartered surveyors, recently business parks owners can seek reported that in the Thames Val-to lure town centre office users.

This March, for example, Shall be added to the control of the control where high tech buildings - ley, demand for office and indus- stressing the merits of low-dengenerally low rise and situated in a landscaped setting with plenty and general commercial space, hassle.

corridor from Heathrow Airport same time, though, the success of to Wales. This, of course, partly companies in finding the sort of companies in finding the sort of space they needed also improved. Business parks fit into this

supply.
For developers and landowners, business parks have become more versatile because of the

of car parking – are grouped together, they have become known as business parks.

Now they stretch down the M4 the record levels of 1984. At the which might become refugees

from London and from those already active in the area, but with fragmented accommodation. As an example, Digital Equipment's decision to move into Slough Estates' Winnersh Triangle and Speyhawk's Thames Valley Park, both near Reading, and into Arlington Securities' Newborn Belle is in part a move of

Park, the joint venture proposed by Gablecross Properties and Abbcott Properties outside Swindon. Availability of space induced Galileo Distribution Systems, the sirilines reservation and information sections of the property was not attractive enough to outside a source of the property was not attractive enough to outside a source of the property was not attractive enough to outside a source of the property was not attractive enough to outside a source of the property was not attractive enough to outside a source of the property was not attractive enough to match the property was not attractive enough to outside a source of the property was not attractive enough to match the property was not attractive enough to match the property was not attractive enough to match the property was not attractive enough to outside source of the proper and information systems consor-tium, to go to St Martins Prop-erty's Windmill Park in Swindon.

high tech property transaction the M4 corridor.

Transactions like those in which Gailleo and Digital have been involved inevitably give a fillip to the market. But developing the market of the mark ers in any case have been entim-siastic in their purchase of landpossibility of upgrading and

Hence, for example, the purchase by Arlington Securities for 233m of the existing Aztec West park near Bristol from Electricity

park near Bristol from Electricity
Supply Nominees and the acquisition of 31 acres by Trafalgar
House Business Parks from IBM
at Wootton Basnett.

Reading has been a favouredarea with parks planned or under
development not only by Slough
Estates and Speyhawk, but also
but commentes, such as Artington. edential Portfolio Managers. ecaton Securities, ARC Proper

tions through cautious local authorities and to attempt the difficult trade-off of rehabilitating Green Belt land for a chance to develop commercially. Such an approach has recently been suc-cessfully completed by Rutland Group and RMC for land adjacent

to Heathrow Airport.
However, future purchases especially in the corridor nearest London, may be constrained both by the rise in land prices, which will have to be seen against the likely take-up of space, and by planning restraints. Developers are likely to find Berkshire a par-ticularly difficult area: environmental concern and commercial development have clashed head

changes last year in the Use Clas- The chase for tenants is becom-ses Order and the creation of a ing increasingly competitive, but Bir class, which eliminates the there seems to be little difficulty difference between industrial and in attracting funding for well-sit-office use and creates a general usted parks and the buildings ises and the relative ease of com-munications.

It is a most point whether the

business category.

If demand flattens out for high
indeed, could become increas-ingly attractive to institutions at

David Lawson on offices in the town centres

The tenant has become king

bury Park, is in part a move of THE MONEYMEN are back to both planned and under develop beads along the motorway join-ment, also permits companies to ing London and Walss. Investors expand. Lack of space in town led and fund managers are rediscov-Mational Mutual Employers' ering areas they had abandoned.

Mintual General Insurance to They could have come back commit itself to Coste Water score: demand has been steadily

arty's Windmill Park in Swindon.
Galileo agreed terms for 240,000sq ft of space, spread over 5.5 acres in what was thought last November to be the biggest the surge in rent levels in most of the main town centres as the last vestiges of top class office space disappeared.

disappeared.

"The ones who stayed in the market, who went west when everyone else went east, are reeping the benefit," says Mr Michael Dow of agents Jones Lang Woot-

may be pushing up rewards, but tenants will still demand park-ing, good designs and good ser-vice before paying up. Every good building receives two or

Of the main centres, Bristol has been a classic example of In 1966 it was struggling to fill almost 750,000sq ft of prime central space at rents of £7.50 a sq ft, according to St John Hartnell of agents Hartnell Taylor Cook. By the beginning of 1988 that had shrunk to just over 400,000sq ft and rents had hit £12.

The prospect of rents touching double the 1986 level when the last space goes this year has attracted investors in droves.

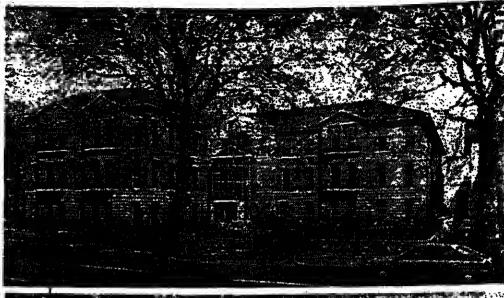
Some developers have been here all the way through, but having to scrape around to find bank loans slowed down output, according to Mr Dow.

bank loans slowed down output, according to Mr Dow.

He was just hack from a tour with investors of 14 sites within walking distance of the town centre which could take 30,000sq ft of floorspace each. They will be developed, he said. But there will be a hill in supply until then, adding more pressure to rents.

Lloyds Bank revived the city's profile when it decided to move to a 200,000sq ft development in the centre, bringing back memories of the wave of relocations a few years ago. But demand is mainly for small to medium size space, according to a recent Chesspace, according to a recent Ches tertons report. The top rent of around £12 a sq ft is rumoured to have been paid for a letting of about 10,000sq ft in the giant Spectrum development by Richard Ellis for the Board of the Board Ellis for th

It is like this much of the way along the M4, with the buoyant local and national economy





cial groups to the town centre, expanding again recently into the Commercial Union building. But developers are less tempted to developers are less tempres to put up more speculative space without pre-lets because much higher rents can be achieved on the business parks.

Newbury has a vibrant group of established companies such as Bayer and Norsk but a tight plan-ning regime restricting development. Top rents are more than £12 a sq ft, but for small amounts of space. And some tenants are looking elsewhere to find space

of the explosive Thames Valley economy, is also running out of space from the boom years. Remis

is the possibility of compensating by the offering of premises purely for office use. This opens up new markets, because it means that business parks owners can seek to lute town centre office users, stressing the merits of low-density parks and an end to urban hasele.

It also allows companies the it also allows companies the chance to consolidate premises and this is a factor both for those which might become refugees

The development gap is obtious. The prestige, But one, to create bigger to constitute the cause of some planning on the first and planning by investors. Some would say that such increases are nothing according to Mr David Beker of Edward Erdman. Town centre sets the first such planning that the cause of some planning on the first and planning by investors. Some would say that such increases are nothing according to Mr David Beker of Edward Erdman. Town centre sets the first and planning that the first and planning that the first and planning on the first and planning to the first and planning their standing in the first and planning on the first and planning their standing in the first and planning their standing in the first and planning to satisfy some big tenants, but prospects for anyone else can be station will the can the first and planning their standing in the first and planning their standing in the first and planning tous. The Prudential's Apex Plaza on the first and planning tous. The Prudential's Apex Plaza on the first and planning tous. The prospects of anyone else can be the best deal of 215 until now. Window values would be 222 plus if there were a deal to record.

The development gap is obtioned in the first and planning tous to create bigser on the first and planning tous to create bigser of the prospects for anyone else can be the best deal of 215 until now. Window values would be 222 plus if there were a deal to record.

The development gap is obtioned in the first and planning tous to create bigser of the prospect for anyone else can be station will the other new space and

the next year put together. That will give agents Hillier Parker and Campbell Gordon some solid bargaining power in the face of mounting demand.
Slough has not seen a deal over 30,000eq ft for more than three years — mainly for lack of a big new building to let. But a handful are set to come on stream in ful are set to come on stream in the next 18 months to help meet demand for town centre locations from local high technology com-panies. A scheme such as Sun more than 400,000sq ft of space in Alliance's 60,000sq ft Sovereign House could help smash the his-

toric £18 a sq ft rent calling by going close to £22.

Maidenhead may have already broken this berrier with rumours that a prelet by Let in its 50,000eq ft Hines Meadow scheme could be the too year paid problet the £25. space from the boom years. Rents the top rent paid outside the M25. jumped from around £14.50 a sq.ft. This scheme is part of a wave of at the beginning of last year to new supply already hitting the £17 by the close. Current negotiations, but confirmation of a pretions: are close to £18.484 space let at this level will prove that.

Road, Heathrow.

And, finally, as the motorway dives into London, the bounce-back effect of the M25 combined with moves outwards from the West End, have helped clean out the last bits of space hanging around Hammersmith's neck. Bredero can now take advantage of this after the courts threw out

opment means there will be a gap in supply before then. JLW aims to capitalise on that with the to capitalise on that with the 100,000eq of first phase of the old Cadby Hall — now Windsor Phase. Rents will be more than £20 and could be closer to £25.

They are already past the £20 barrier on the last space in the sander of Hermanyamith Ouach 98,000sq ft Hammersmith Quad building. And that is a refurbish-

itions: are close to £187eM space
left in MEPC's Abbots House and demand is strong enough to keep
left in MEPC's Abbots House and demand is strong enough to keep
left in MEPC's Abbots House and demand is strong enough to keep
so the pace of growth in values
shall be pace of growth in values

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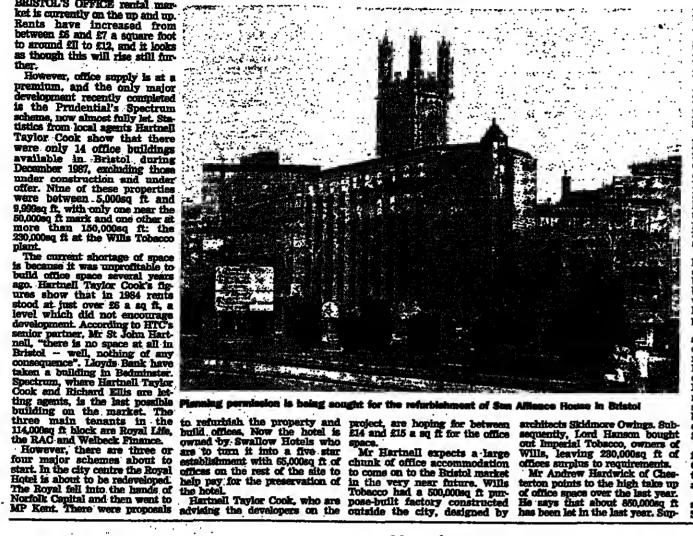
M4 PROPERTY 3

New schemes will help to meet demand

ket is currently on the up and up. Rents have increased from between £5 and £7 a square foot to around £11 to £12, and it looks as though this will rise still fur-

ner. However, office supply is at a premium, and the only major development recently completed is the Prudential's Spectrum scheme, now almost fully let. Sta-tistics from local agents Hartnell were only 14 office buildings available in Bristol during December 1987, excluding those under construction and under offer. Nine of these properties were between 5,000sq ft and 9,999sq ft, with only one near the 50,000sq ft mark and one other st more than 150,000sq ft: the 230,000sq ft at the Wills Tokeson

The current shortage of space because it was unprofitable to is because it was unprofitable to build office space several years ago. Harrnell Taylor Cook's fig-ures show that in 1984 rents



debate. The two protagonists at out of town Cribbs Causeway, JT Baylis and the Prudential, have been asked by the council to come up with a scheme which provides approximately 575,000sq ft of shopping and extensive leisure facilities.

Observed to protagonists at site, has been let and about 180,000sq ft is due for completion between now and the end of the year. The news at the end of last year that Bristol had been chosen by the Government for an urban development corporation (UDC) has met with a guarded welcome from local surveyors JP Stores &

would not sanction two schemes, cumstances are so different from Baylis and the Pru decided to pool resources.

What the effect of such a massive scheme will be on the city centre, and in particular Broadmead, the traditional heart of Bristol's shopping, is not yet clear. Ladhroke City & County Land now have full planning permission for the Galleries, a scheme on a 5.5 acre site, bounded by Broadmead, Merchant Street, Newgate and Union Street.

The project will have 571,676eq

cumstances are so different from elsewhere in the country." Virtually all your controls are taken from the local authority and given to the UDC.

JP Sturge's development partner, Mr Edward Cussen, expects ity. He says: "The local authorities will undoubtedly view an outside body, which comes in and takes some of their powers away, bounded by Broadmead, Merchant Street, Newgate and Union Street.

Mr Cussen adds: "I also believe

The project will have 571,676eq for shopping. Architects for the Galleries are Leslie Jones and letting agents Hartnell Taylor Cook ket forces and to the disadvantage.

and Hammond Phillips. tage of more important strategic commenting on the current issues."

shopping situation in Bristol, Mr Stuart Williams of Chesterton issues.

ply is now down to 450 000sq ft in total compared with 11m sq ft two years ago. There has been a general uplift in reats over the last 12 months — which in turn will lead to increased development and investment.

Spectrum is the most famous landmark in Bristol. It was slow to let but Royal Life and the RAC have now taken space at about 120 a sq ft.

Bristol's shopping scene has long been a source of courtoversy in the town centre/out of town debata. The two protagonists at our of town Cribbe Causeway, JT

180,000sq ft is due for completion between the production of the last special to the course of the last special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relatively secondary property. In point special to the substantial level of premiums being achieved for relativ

Originally, the two developers had wanted to build two separate cantres next door to one another, impossible to assess the true both of 650,000sq ft. When it became clear that the planners is actually running because cirwould not sanction two schemes, cumstances are so different from Parville and the Parvilled Idea.

Housing

Battle royal for the royal county

IT IS High Noon for Newbury and pistols at dawn at Wokingham. Somewhere, in the naringham. Somewhere, in the local and in that they are almost

with a somewhere and in the title entres more fine to dif
ferent Fields' But wait — the county of a film by brough in the ference between the \$5,530 the county

sion for the area from 950 units to 2,200, but still regards it as insdemnate

believe that a total of 2,500 new units are needed just for indige-nous growth, and that does not commercial strength. In the starter home category, particularly, we cannot meet the strong demand because there is not enough land coming forward."

Mira Bar-Hill

Murder.

Berkishire may now be the epicentre of the tremour, but the vibrations are spreading. Nobody loves a housebuilder or a new estate. But whether victory eventually green to the bricks of the tually goes to the bricks or the brickbats will have a profound effect on broader issues. In a



Slough **B1** leads to upturn

SLOUGH has benefited from the general prosperity of the Thames vealey and 1967 was a particularly good year for the town. All sectors of the market have done well out of the boom.

Slough Estates, probably one of the best known developers in the country, are currently revamping the famous Slough Trading Estate. Pre-war buildings have been pulled down to make way for high tech space, but at the same time traditional industry on the same time tradi

uction.

ut.
By the end of next year nearly Retail warehousing has made

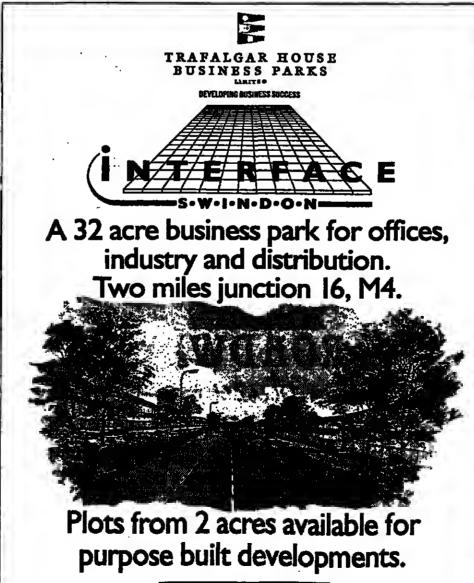
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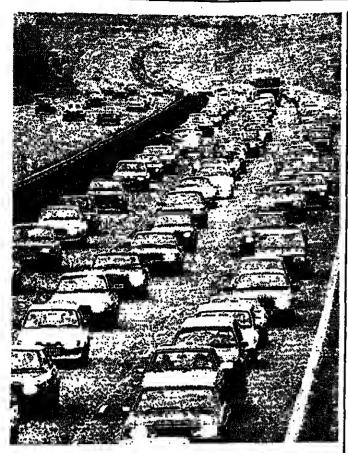
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BETTER CONNECTED



ealing face of the M4. Easts Monday saw a 120 mile, Bristol to London traffic jam — reported to be a record for the M4

IN JANUARY of this year Mr Nicholas Ridley, Environment Secretary, published his proposed modification to the draft replacement Structure Plan for Berkshire. His decisions on the house-building front, closely followed by colourful exchanges with a former Environment Secretary Mr Michael Heseltine, grabbed the headlines, but his other pronouncements will have considerable effects on the commercial property scene as well.

Overall, Mr Ridley has accepted that Central Berkshire will no longer be regarded as a growth area, thereby trying to balance the pressures for housing and employment, with the "not in my back yard" attitude of local

rejected the county council's high tech and the new B1 cate-recently adopted policy state-ment on B1 (the B1 class elimical) cent. Both flourished at the nates the difference between expense of warehousing and industrial and office use and cre- town centre office space for ates a general business category) which demand has fallen.
and rejected their attempts to
control the rate of office develop ment and an upper limit on additional retail space.

will be a sufficient supply of employment accommodation to satisfy local demand." It is against this background and - for potential occupiers at

imistic outlook, that least - pessimistic outlook, the facts must be analysed.

high-tech units in Newport have

ever, as Mr Jones says, prices are still very cheap compared with just across the Severn Bridge. Land around Bristol is command-

ing £250,000 an acre, compared with under £100,000 in the New-

port area. So it pays to move just a few miles to the west.

For many, the Severn Bridge itself is an inhibiting factor, But when the second Severn crossing

is completed, in the early 1990s, it should lead to a price explosion in south Wales; so that, as Mr Head comments, "the time to get in on the ground floor is now".

HOUNSLOW

Demand for commercial and increased. The fastest growth sec-industrial property in the tor during 1987 was factory and

Berkshire

Shift away from warehousing

Thames Valley continues apace. warehouse rents, often reflected over 15,000 sq ft. This is clear now in hand. For the second year running, in high premiums which are up demand for space has topped 20m from about £4 a sq ft to almost level of activity among the small Campbell G. sq ft - but there has been a dis- £6. cernable shift in what tenants are looking for. Campbell Gordon are well

placed to gauge the latest trends. They find that demand for light industrial space - basic units with ancillary office accommoda-tion — has increased by 30 per cent from 1986 to 1987. Demand But at the same time, he for office and industrial space cent. Both flourished at the

Mr Ian Campbell says the continuing success of the area and firms operating in it depends on their ability to find the variety of However, according to Berk-shire agents, Campbell Gordon: their ability to find the variety of space they need. Current demand is for more small units of accommodation of good quality - pro-vided they can be available on short lease terms. His own firm was approached in 1987 by 1,890 companies seeking accommodation - 869 of them wanting at least 5,000sq ft.

The level of rents has also

property being more highly rated

than in the past," Mr Thomas adds. "Every junction on the motorway is now a target for

For Mr Head, one of the most

encouraging features of the past year has been the way in which investment interest has spread

up the industrial valleys, long

ignored by the developers. The

WDA has very little property

available in the valleys, and Mr Head attributes this situation not

just to the buoyant economy but also to the improvement in the

roads that run up the valleys.

There has been an enormous

improvement in the roads in south Wales, with dual carriage-ways running part or most of the

way up many valleys. This has made it easier for a company to

consider a location such as the

On the other hand, rents for the best type of high tech space, The high tech market is

volatile and tenants

require more attention

nies continue to be drawn to the The effects of Black Monday are certainly minimal to non-

season aged that three quarters of total demand is from companies looking for high tech space not

property.

Now the town's office alloca-

Now the town's office alloca-tion has been sorted out by the planners, the office development scene looks set to boom again. Nearly 750,000sq ft is either under construction or at the

planning stage. However, only a tenth of this will be completed by the end of the year.

If everything goes according to plan, then rents should hit the

Campbell Gordon, the unex-pected Cinderella of Berkshire is firms in the area, many newly is not really all that unexpected, since rentals in this sector tend

A useful indicator of the prop-erty market in Berkshire has een the decision of Digital Equipment, which has headquarters in Reading, to buy 30 acres on the North Earley Business Park. This was greeted with great relief in the area, since the failnow tidily categorised B1, are its traffic problems was seen by approaching office rents as the local agents to be causing several electromics and computer companies in the town to be described by the local agents to be causing several companies in the town to be described. elsewhere.

The effects of Black Monday are effects of Black Monday are certainly minimal to non-existent at present and are expected to remain very limited: don rents. Reading office rents. But even the high tech silver don rents. Reading office rents. But even the high tech silver the list of the limit has a cloud. The market is with a high around £17 a sq ft, volatile and temants require more like those in Basingstoke, while the West End has design, fitting out or lease draftents of the light tech silver the high tech silver the light tech silver the li

mark. American company took 7,000so. Major road programmes are ft in Berkshire in 1987 – and

Tardiness in implementing

road-building programmes has

tion by autumn 1988. Such com-panies are reluctant – and some refuse outright - to accept 25-

now want 40,000sq ft for occupa

So what of Cinderella? Crest Estates has built a new industrial development in Wokingham called Full Circle. It is so named, say the developers, to indicate that the industrial sector has come full circle from traditional sheds, through high tech and B1 - right back to sheds again. Of course, this depends on demand for high tech stabilisting so that pressure on land prices is eased. Then sheds, like Full Circle's, on a site without a main road front-

Mira Bar-Hillel

Portman Hotel

age, can be offered at 26.25-6.75 a

sq ft, unfitted, with 30 per cent

office space, no tenant incentives and no break clauses.

Park Lane Hotels International bought the Churchill Hotel, Portman Square, London, and not the Portman Hotel, as stated in the West End and Victoria Property Survey of March 11.

Anthony Moreton on south Wales property

Cardiff boom goes westward

other word to describe it." The speaker is Mr Roger Thomas, of Cooke & Arkwright, in Cardiff, and he is describing the property situation along the motorway around the Welsh capital.

Others sopport his view. Mr Rbys James adds that demand is huoyant across the board, and the general upturn in the economy is being reflected throughout the property mar-

Chepstow firm Beverley Jones

that is Phil Head, property director of the Welsh Development Agency, who, a year ago, was concerned that, whila property interest was building np at the entrance to south Wales, it was still difficult to convince developstill difficult to convince developers of the attractions of Swansea

His view is that, while there are some difficulties in attracting people beyond Bridgend, it is a lot easier than 12 months ago. "In fact, we have almost nothing now in Llanelli, and the very strong demand being experienced in south Wales is spread over the categories of the categories from London. Mr Peter Walker, the Welsh Secretary, tells a story of how three young executives led a deputation to their chairman when it was announced, six years ago, that their banking operation was demand being experienced in south Wales is spread over the

way itself, and a big building programme will take place this year
to cater for demand. In particular, the agency is turning increasingly to the high-tech units have helped boost demand within
sought by modern industry, and
is bringing forward sites in both
Swansea and Llanelli. It is also
huilding in the Bridgend area,
which has had a remarkable sucfrom the private sector.

That success can be seen most obviously in the centre of Cardiff, topped £6 a square foot, and in where New Baltic Honse, an Bridgend they are between £3 office block, is approaching completion and the Bailey group has a number of developments in hand, one of which is a 65,000sq ft office block bought from South Mr James believes that "the magic £10 barrier will be broken fit office block bought from South Glamorgan County Council, which this summer moves into a new headquarters in County Council, which the course of the year". However, as Mr. Jones care.

new headquarters in Cardiff's docklands.

The redevelopment of Cardiff's et." decaying docklands by a develop-And Beverley Jones, of the ment corporation will focus enormous attention on the city and and Partners, says that south the rest of south-east Wales, espewales is "beginning to sense an cially as an imaginative scheme that is Phil Head, property director of the Welsh Development the bound of the bo has just been launched to turn

Before that can happen, Newport is the focus of more immed Today, he is a lot more optimisate attention as the TSB's insurtic. His property portfolio ranges ance operations begin to filter from Milford Haven to Newport, into the town and the Patent and a lot up the industrial Office is, in the near future, relocated there from London.

south Wales is spread over the whole area."

Now, he has been informed, these same executives would lead The WDA is virtually devoid of another deputation to their chair-any lettable units near the motorman if there was any possibility way itself, and a big building pro-of the bank's being moved out of

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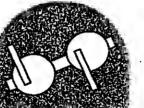
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Continued from p3

Seven of the M4. The 68,800sq ft Giddy, has been £17 a sq ft for scheme has 23 high tech units the Beacontree Oriel development at 1 London Road where 14 have been sold, although the development is only now nearing completion.

Continued from p3

according to local agents Giddy & Giddy, has been £17 a sq ft for the Beacontree Oriel development at 1 London Road where the firm let space to Altos Computers. Other new space let in 1987 was limited to smaller development at 1 London Road where the firm let space to Altos Computers. 6,000sq ft. ents of between 2,000 and

B1 leads to upturn in Slough

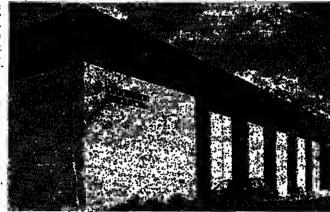
Most of the buyers have been owner-occupiers but some have been bought by investors. Agents for the project are Strutt & Parker, Chilvers and Croft & Co.

The M25 had an injurious effect on Strutt's office reaches the construction of the construc Giddy & Giddy says: "The introduction of the Use Classes Order has resulted in a dramatic upturn in Slongh in new office/Ri on Slough's office market since it came along at a time when the town had little to offer in the way of new development. London & Provincial Shop Centres, now a part of Randsworth Trust, ran into problems with one of their schemes three ways are and held developments now under construction. [The new B1 class makes no distinction between industrial and office use]. At the present time 10 major projects have reached this stage with an aggregate floor area of 255,870sq schemes three years ago and had to drop the asking rent from £17.50 a sq ft in order to let the

"Some of the schemes are likely to be projected to achieve rentals around and above £20 a

During the coming year, we expect at least 23 office B1 schemes to be started, with a projected floor area in excess of 400,000sq ft. The majority of these schemes are entirely new develforesee that developers and owners will be forced to recycle existing substantial 1960s and 1970s buildings which are virtually unlettable in the second-hand market."

220 a sq ft mark although current rents are nowhere near this and have been sticking for about two The agents continue: "The be back in thei advent of the new B1 Use Class next year or so.



Order is yet to have its full impact. However, at the present time buildings totalling 87,000sq if are under construction in Langley and two schemes involving 140,000sq it are on the point of completion on the Bath Road. Slough Estates has three B1 use buildings under construction and these are certainly unlikely to be the last, as recent negotia-tions within the estate indicate that a number of their Bath and Farnham Road frontage sites will

According to Simon Fryer of

traditional industrial space. This

to equate to premiums paid on

high tech.
This means there is little inter-

est in providing such space, it is

therefore difficult to find, and

anyone who really wants it is having to pay more. But £6-7 a sq ft, even if it is a 50 per cent rise

from £4-5 a sq ft, is still a meagn

incentive for investors who tend to try their luck on B1 units

instead. Here the returns can be

The agents say that next year may well see a new type of property entering the market; the small self-contained building of between 1,500 and 3,000eq ft to be

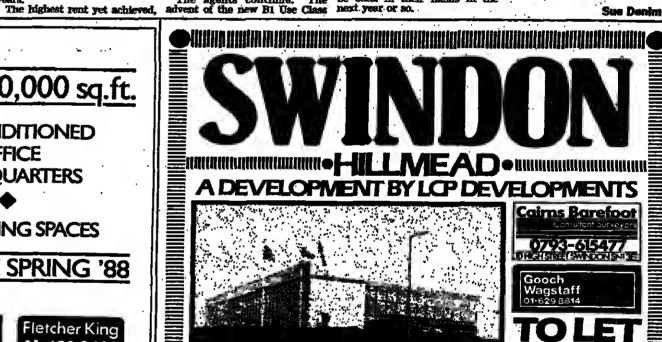
Currently four schemes for such units are at advanced plan-ning stage, with prices of about £200 to £260 a sq ft being anticipated depending on the location.

Demand for these units is said by the agents to be good.

. . .

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61.







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